

University of Montana

ScholarWorks at University of Montana

Graduate Student Theses, Dissertations, &
Professional Papers

Graduate School

2001

Long Machinery Company marketing plan

Terri Long McGillis

The University of Montana

Follow this and additional works at: <https://scholarworks.umt.edu/etd>

Let us know how access to this document benefits you.

Recommended Citation

McGillis, Terri Long, "Long Machinery Company marketing plan" (2001). *Graduate Student Theses, Dissertations, & Professional Papers*. 2875.
<https://scholarworks.umt.edu/etd/2875>

This Thesis is brought to you for free and open access by the Graduate School at ScholarWorks at University of Montana. It has been accepted for inclusion in Graduate Student Theses, Dissertations, & Professional Papers by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

NOTE TO USERS

This reproduction is the best copy available.

UMI[®]



**Maureen and Mike
MANSFIELD LIBRARY**

The University of
Montana

Permission is granted by the author to reproduce this material in its entirety,
provided that this material is used for scholarly purposes and is properly cited in
published works and reports.

****Please check "Yes" or "No" and provide signature****

Yes, I grant permission X

No, I do not grant permission

Author's Signature: Tom Long McGillis

Date: 08/30/01

Any copying for commercial purposes or financial gain may be undertaken only with
the author's explicit consent.

Long Machinery Company

Marketing Plan

by

Terri Long McGillis

B.F.A Stephens College, Columbia, Missouri, 1978

M.I.S University of Montana, Missoula, Montana, 2001

Presented in partial fulfillment of the requirements for the degree of Master of

Interdisciplinary Studies

The University of Montana

August 2001

Approved by:

Nader H. Shoushtari

Chairperson



Dean Graduate School

9-4-01

Date

UMI Number: EP36226

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI EP36226

Published by ProQuest LLC (2012). Copyright in the Dissertation held by the Author.

Microform Edition © ProQuest LLC.

All rights reserved. This work is protected against unauthorized copying under Title 17, United States Code



ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 - 1346

Marketing Plan, Long Machinery Company, Caterpillar Heavy Equipment Dealership

Chair: Dr. Nader Shooshtari: *Nader H. Shooshtari*

The marketing plan is for Long Machinery at 1035 Reserve St, Missoula, MT. The paper includes a company overview, manufacturer, environment, and industry analysis, resulting in the marketing plan with control and evaluation information.

The marketing plan is the result of a customer needs analysis. The plan is designed to meet these needs resulting in increased profits and customer satisfaction. It matches the goods and services of Long Machinery with the buyers' expectations.

The focus areas of the plan are customer solutions with an emphasis on long-term relationship marketing encompassing communication skills that develop customer, employee satisfaction and brand alignment. The goal of the plan is to change the mind set of the human resource team at Long Machinery from a sales company to a service company. In order to achieve this goal two objectives were set. The first is to educate customers on parts, services, and product lines that relate to their specific business and financial situations. The second is to communicate to the customer the benefits of a relationship with the Long Machinery Company by differentiating products and services, resulting in increased profits and customer loyalty.

The paper does an analysis of the social, technological, economical, political and regulatory environments. Also, industry, target market and SWOT analyses' were done. From the studies, the marketing strategy is formulated utilizing relationship marketing, communication awareness, and product alignment and brand association. Included in the monitoring of the marketing plan is an control and evaluation.

Table of Contents

Abstract	ii
Table of Contents	iii, iv
References	v
Long Machinery Profile	1
Caterpillar Inc. Profile	1,3
Long Machinery's Case	3
Value of Customer Support / Customer Service	4
Marketing Proposal	4,5
Thesis	5
Executive Summary	5,6
Market Profile	6
Goal of Marketing Plan	7-10
Situation Analysis	11
Social Environment	13
Technological Environment	13,14
Economic Environment	14
Political and Regulatory Environment	14
Competitive Environment	15
Machine Sales	16,17
Parts	17,18
Service	18

Engine	19,20
Industry Analysis	20-24
SWOT Analysis	25-29
Desired Outcomes	30
Target Market Analysis	30
Target Market Profile	31,32
Marketing Strategies	32,33
Relationship Marketing	33,34
Communication Awareness	35
Product Alignment Through Brand Association	36
Relationship Marketing Strategy	36-40
Sense of Urgency	40,42
Communication Training	42-45
Logo and Brand Alignment	45
Marketing Strategy Utilizing Advertisement	45,46
Relationship Marketing	46,47
Product Market Match	47-50
Controls	50,52
Evaluation	52

References

Appendix A, Map of Montana	53,54
Appendix B, Customer Evaluation Interviews	54-58
Appendix C, Grey Iron	59,60
Appendix D, Competitive Report	61,62
Appendix E, Simms Report	63-67
Appendix F, Department of Transportation Highway Bill	68-70
Appendix G, Geographic Buyer's Analysis	71-75
Appendix H, Customer Consultation Services	76-98
Appendix I, Customer Correspondences	99-107
Appendix J, Long Machinery Advertising	108-118
Appendix K, Long Machinery Advertising	119-123
Appendix L, Evaluation Survey	124-126
Bibliography	127

Long Machinery Profile

Long Machinery, a Missoula, Montana based business, became a Caterpillar dealer in 1978. As a Caterpillar dealer, Long Machinery is responsible for representing and distributing Caterpillar product lines in the Long Machinery Territory. The territory assigned by Caterpillar is Western Montana, Central Idaho, and a portion of southern Washington (Appendix A). It is within this geographic territory that Long Machinery is responsible for sales and service of all Caterpillar products. To service the various geographic areas, Long Machinery has established branch stores in Lewiston, Idaho and Kalispell, Montana.

The Long Machinery Company has various business units, they include, earthmoving machinery- machine sales, earthmoving machinery- part sales, earthmoving machinery- service sales, truck engine sales, parts, service and power generation. A future business unit not in place at this time will be called "Cat Rental." The various units are financially independent of one another and operate as separate profit centers.

Caterpillar Inc. Profile

Caterpillar, Inc. is a manufacturer of earthmoving, agricultural, compact equipment and parts, truck engines and power generators. Caterpillar Inc. markets their products through a network of world dealers and has distributed its products through dealers since the 1930's. Their corporate offices are located in Peoria, Illinois.

Caterpillar Inc.'s worldwide presence predates its incorporation in 1925. As a

result at least half of all sales have consistently been outside the United States. Caterpillar has more than 70 manufacturing facilities around the world, with nearly half outside the U.S. Caterpillar products are sold and serviced through 192 independent dealers worldwide. One hundred twenty-seven dealers are outside the United States, with locations in 200 countries.

Caterpillar Inc. is perceived in the world of business as one of America's top corporations. Fortune Magazine rated Caterpillar, Inc. 19th in America's top 50 corporations. Caterpillar was also identified by Fortune Magazine as one of the "World's Most Admired Companies." In response to the Caterpillar Inc. success Fortune magazine acknowledges the company and quotes their 1997 Caterpillar Chairman and Chief Executive Officer, Donald V. Fites. The Caterpillar Newsline from 1998 quotes this Fortune Magazine article that analyzes the success of Caterpillar Inc.

"This recognition from Fortune tells the world much about the kind of company we really are. It reflects Caterpillar's commitment to our customers through our strong global presence and management for long-term success. This is something employees, dealers, customers and shareholders can be very proud of. All have a terrific product or service, shrewd financial management and far-sighted marketing that thinks global and acts local. But the companies have something else: guts. What separates the most admired companies from their peers is that they have the courage to stick to their convictions, even in the face of strong criticism." (qtd. in Cat Newsline, 2-3).

In the Caterpillar Corporation and the Long Machinery partnership, Long Machinery is responsible for distributing product in its designated territory, determined by the manufacturer. The Long Machinery Company has agreed with Caterpillar to

represent, market, service and distribute Caterpillar products and programs. The Caterpillar products represented by Long Machinery are used at construction sites, in the mining industry, and in forestry and agriculture. Long Machinery's responsibility in their territory, however, does not include used equipment. Used equipment owned by the Long Machinery Company can be sold throughout the US and the world. The dealer/manufacturer agreement between Long Machinery and Caterpillar enables support and commitment to one another. Caterpillar supplies Long Machinery with product, technical expertise, and warranty support in Long Machinery's Trade Territory, designated by Caterpillar.

The Long Machinery and Caterpillar partnership has been in existence 1978. The Long Machinery Company has been successful as an independent company in profit levels, human resource development, management of assets, as a result Long Machinery has experienced success and growth in a business environment that deals with industries that are in continuous transition, extremely volatile and cyclical based on the economic conditions.

Long Machinery's Case

Product additions and modifications in existing Caterpillar, Inc. lines, as well as a change in customer needs have caused Long Machinery to recognize a need for changes in customer support/ service and marketing.

The marketing strategy will focus is on the perception of "ONE Company" unifying the various business entities within the company for cost efficiency. The rational

for this goal is to alleviate the cost of marketing every business unit separately.

The purpose of the Marketing plan will be to create greater efficiency and top quality customer service. “Providers must identify the people and organizations they are to serve, determine the needs of these customers, and always keep in mind that their sole purpose is to serve these customers...providing the highest quality of service at the lowest cost” (Di Iorio).

Value of Customer Support and Customer Service

In today's day and age of business, customer support is a powerful tool for increasing customer satisfaction. By integrating the basic philosophy of customer support into the mission statement of the Long Machinery Company the company can create a paradigm, which will maximize business relations and profits. By creating a higher standard of customer support, through a relationship developed by the Company Sales team, Long Machinery's products will be enhanced. The focus on customer service is creating more value and differentiates the Long Machinery product from the competitive products. As a result long Machinery will be meeting the customer's of today's higher expectations.

The following is a quote by James Festoon, Caterpillar Division President. His personal philosophy is a vision that reflects the basis of this marketing plan. "We must recognize that we are not an equipment sales company. We are strictly a service company. We must wrap an envelope of services around Caterpillar iron to create a complete product for our customers" (Festoon).

Marketing Proposal

The marketing plan will encompass all the business entities. The plan will change the customers' perception of Long Machinery from that of a sales company to a sales and service company. The marketing plan will indicate that Long Machinery Company is in a new business mind set-- long term customer service rather than the "fast sell." Rather than being provider-driven, Long Machinery will be customer-driven. The objectives of the plan will focus on the areas of relationship marketing, training in communication skills, and utilization of brand alignment. The marketing plan will enable customers to work through change as they partner together with our company.

Thesis

The thesis is a marketing plan for Long Machinery based on theory presented by Darrell, Lucas, and Luck in the publication Strategic Marketing Management. By using Strategic Marketing Management as a guide, a marketing plan has been developed that is practical and straightforward. The marketing plan focuses on the Long Machinery Company in marketing customer service and customer satisfaction.

Executive Summary

The marketing plan is designed for Long Machinery at 1035 Reserve, Missoula,

Montana. The summary will analyze customer needs related to increase profits and customer satisfaction. Based on this analysis, a plan was formulated matching the goods and services of Long Machinery with buyer's expectations. The process of planning and executing the conception will involve pricing, promotion and distribution of ideas, goods, services, and events to create exchanges that will satisfy customer and Long Machinery's objectives.

Due to the continuous need to identify changing customer values and increased demands, Long Machinery has the challenge of not only maintaining, but also increasing their customer base. As a result we interviewed our customers in order to identify their needs and wishes for the equipment industry (Appendix B). A thorough market analysis was done identifying current market opportunities. As a result a plan was formulated to rebuild and maintain the targeted customer base.

The first step was a review of why customers were lost. The second step was a review of data on the current customer perception of Long Machinery. Based on information from this data, a marketing strategy was formulated, that includes an advertising campaign. This marketing campaign combines the various business entities with the common theme of customer solutions. The areas of the advertising campaign are customer solutions with an emphasis on long-term relationship marketing, communication skills, and brand alignment.

Market Profile

The market profile in Long Machinery's trade territory is extremely diverse. It is

composed of forestry, agriculture, mining, building construction, highway and road building. Consequently, customer demands and expectations are highly diversified. The objective of the marketing plan is to develop, implement and measure programs and strategies designed to maintain and expand Long Machinery' s business. The delivery of the marketing plan conveys the message that we deliver solutions to our customer base. This solution resolution differentiates us from our competition.

Goal of Marketing Plan

To change the mind set of Long Machinery customer and human resource team from a sales company to a service company. In order to reach the goal the following objectives were established:

Objective 1: To educate the customer on parts, service, and the product lines that benefit the customer when applied to the customers specific business and financial situation, resulting in the sale of a Long Machinery product. (a 20% increase in over all sales)

How to implement relationship marketing for objective #1

- Strengthen the relationship with targeted existing customers-customized strategy (requiring customer segmentation through Industry, and targeting customer's values related in doing business with a retailer.)

- Communication by the sales representative on current products and programs and the addressing of problem resolution on industry or business related needs through the Long Machinery programs. (The representatives of Long Machinery will have a role as a consultant, assisting customers with long term planning that supports business growth and the company goals, enabling customers to work through changing economic conditions and this is accomplished by targeting Long Machinery and Caterpillar programs that enhance their businesses efficiency.)
- The sales associates will be trained in negotiation, mediation, conflict resolution and effective communication skills resulting in successful interaction with the customer.

How to utilize product alignment through brand association for objective #1

- Mail flyers that are market specific—ones offering products of value to our customers.

Objective 2: To communicate to the customer the benefits of a relationship with the Long Machinery Company, by differentiating products and services resulting in increased profits and customer loyalty. (10% increase).

How to implement relationship marketing for objective #2

- Train the sales representatives on quick response and sense of urgency related to customer needs

- The Sales Associates will role-play with preset sales challenges in order to learn strategies of product enhancement, information, and consultation.
- Signage/video throughout the Long Machinery physical locations up dating the customer on new product offerings and how they can be utilized.
- Sales Reps-Sales Strategy Training related to the Caterpillar Products benefits. Informing the customer that Long Machinery offers highest value of services at the lowest in the long run.
- Sales Rep's attending industry related conventions, allowing interaction with customers.
- Hosting dinners for customers to meet and exchange ideas with Caterpillar executives/ when the vice president of Caterpillar or the CEO's travel to the area.
- Hosting lunch or dinner with customer and other Long Machinery employees.
- Customer Days- utilized as a forum to show new Caterpillar Products and Technology by having Caterpillar Technology team represented.

How to utilize product alignment through brand association for objective #2.

- The company and sales representatives will work to create an alignment of the customer with the Long Machinery and Caterpillar logo by distributing merchandise.
- Long Machinery & Caterpillar Logo all products and items that are given to the customer and the customers associates.
- The company will place billboards in strategic locations, informing the customer on Long Machinery's focus on customer solutions, through the various divisions.
- The company will place signs at various locations/businesses that service the industries Long Machinery services.
- Factory Trips -creating enthusiasm for the products.
- Creating up to date/ creative merchandising areas in the main store and branch stores.
- Building a portable merchandising area that can be transported to conventions and territory trade shows.

The promotional campaign will build upon previous knowledge of Long Machinery and will increase brand, location, and benefits awareness. The final result will be increased customer base, growth and revenue.

Situation Analysis

As a result of a healthy economy, the machinery business has been good on a global level for the past few years. The year 1999 was a profitable year for most world machinery companies. The year 2000 was forecasted as being a phenomenal year for the heavy equipment industries, however the world economies were volatile.

The changes in world economy have had a negative effect on equipment sales in the Northwest. Grey Iron machinery has entered into Long Machinery's territory, which has resulted in a reduction of sales of new Caterpillar equipment (Appendix C). Caterpillar manufactures "Grey iron machinery" specifically for the Asian market. The equipment standards do not meet U. S. safety criteria or OCEA standards. This is machinery that was purchased used by equipment traders in Asia and brought to the U.S. as a result of the economic crisis in the Pacific Rim. These machines are discounted far below the Caterpillar machines manufactured for the American market. The environmental impacts have brought mining to a close and logging to a standstill.

Machinery Outlook publication reports that the machine sales will be moderate in the agricultural area, responding to low market prices (76). Construction equipment however, should be good as a result of the Federal Highway bill, which has allocated a \$230 billion dollar increase in transportation funding over the next six years. Caterpillar truck engines have gained market share based on the product and development. The Cat engine is considered the leader in the industry. The rental of machinery has become more appealing versus acquisition as a result of competitive focus.

The machinery industry is an extremely competitive industry. The world market share among the major global competitors is Caterpillar 25%, Komatsu 17%, Case 6%,

and John Deere 8% (Curfman). Analysts believe engineering factors between the machinery companies have almost come to a parallel. The differentiating factors are customer service and technology.

Caterpillar, Inc. and Long Machinery face the challenges of the heavy equipment industry together. Long Machinery has the role of informing Caterpillar, Inc. of the industry's growth, demographic changes, and challenges faced within the Long Machinery territory. The information from the dealer allows Caterpillar, Inc. and Long Machinery to identify business challenges and formulate strategic approaches to meet those challenges. After the challenges are identified Long Machinery creates a marketing strategy with the support of the Caterpillar product and development, warranty, technical, and financial services.

The Caterpillar customers are divided into segments. Each segment is assigned to a specific unit (large construction, small contractors and manufacturing industries, sanitary landfill, agriculture, rental, parts and service). The units formulated by Caterpillar are passed on to the dealer representing the products. These separate units require separate business plans with a unifying customer service strategy representing all the divisions.

Caterpillar develops specific business parameters related to the various business units. These strategic plans are tailored to each division. The information is passed on to the dealer through a computer network. Caterpillar, Inc. requires specific criteria for each dealer to implement. In addition, suggestions are also given as optional approaches that can be adapted to enhance the dealer on a regional, national or global level. The Caterpillar representatives provide support and suggestions to implement strategy based

on dealer's choice. Caterpillar products are maintained by the dealerships through a commitment to provide parts and service, within a 24-hour period, at the customer's request. Furthermore, all Caterpillar machines, new or used, are qualified for this service. Machine repairs are considered a product the dealership provides as a service company.

Social Environment

Today's customers value quick response and simplicity when doing business. The customer of today has purchase choices as a result of easy access to information. The role of the sales persons and customer service representatives has changed, each and every customer is unique in their requirements of the sales rep, the challenge of the sales rep is to identify what the customer needs and desires to be maintained as a Caterpillar customer. The customer looks to the sales rep for consultation in many diverse areas: leasing, sales, pricing, overall product choice, efficient and wise business management, basically the customer looks for a relationship founded on trust and good business ethics.

Technological Environment

Technology has affected Caterpillar Inc. and Long Machinery in many ways. The technical infrastructure of both companies is being changed in several areas. The infrastructure will link Caterpillar Inc., dealers, and Caterpillar Parts Depots together with suppliers. The state of the art hardware and software programs will be on all terminals and workstations at Long Machinery. Network Center Computing will read and detect

information by satellite from the machine population within the territory with low oil and poor performance, resulting in dealership machine servicing in the field.

The impact of technology on earth moving equipment is extensive. Technology affects repair, product tracking, and access of information by salesmen and technicians. The Caterpillar Inc. product development team keeps current with technology and applies the technology to heavy equipment.

Economic Environment

When the economy is growing, but volatile, earth moving equipment sales are good. According to Michael J. Park, publisher of Marble's Business Newsletter, a newsletter covering Pacific Northwest business issues, the economy is "...steady but far from spectacular"(Park, 2). He also states sales and project "biddings are a bit stronger than a year ago"(Park, 2).

Long Machinery anticipates an economic year similar to last year. Caterpillar, Inc. relies on its sources of raw materials for manufacturing. Because of competition throughout the world, for these goods, manufacturers have seen an increase in the prices of most raw materials by 2-3 percent.

Political and Regulatory Environment

The political environment has a major impact on heavy equipment sales. Therefore, federal, state, and local political policies and projects affect the sales of Long

Machinery. The Federal Government's policies affect the industries that are dependent on natural resources such as mining and logging. Also, powerful public and private organizations impact issues related to the extraction of natural resources, such the cyanide extraction process. Funding for road construction by federal and state agency affect equipment sales. An example of this is U.S. Senator Max Baucus' bill to allocate millions of dollars to the highways in Montana. Idaho and Montana are two states highly affected by environmentalists and environmental legislation. Additionally, government regulations affect standards in the manufacturing of all equipment. These regulations significantly affect the costs of manufacturing.

Competitive Environment

The heavy equipment industry is a highly competitive industry. As the industry matures, the differentiation in engineering that Caterpillar products have is being duplicated by competitors. Local competitors are also duplicating the customized service given to the customer by Long Machinery.

Caterpillar, Inc. does a thorough competitive analysis of the strengths and weaknesses of a Caterpillar product against the various competitive products. These reports allow the Long Machinery sales & management team members to combat and strategize for successful sales (Appendix D). While the engineering of the products are not easily differentiated, it is the customer service provided by Caterpillar, Inc. that sets their company apart from the competition.

Easy access to available machines through the U.S. and the world make it easy for the consumer to have competitive price information, comparative cost information and

supply information. The global market has now become a local market and the sales rep in dealing with the educated consumer.

Machine Sales (Agriculture, Compact, Rental)

Long Machinery in representing the Caterpillar product has 30% of the market share for earthmoving equipment in the designated territory. The company combats the competitive products, through efficient product/ technical support and customized customer service. The current market share indicates the Long Machinery customer is the larger fleet customer. This is a result of quick turn around in parts ordering, higher resale value, product availability through higher inventory level, and historically and strong customer acceptance.

John Deere is competitive in the earthmoving machinery. The wheel loader, backhoe, excavators, motor graders markets are appealing to the small contractor that is not under a specific time line to complete a project, this is a result of the delayed turn around in parts availability. John Deere is appealing to Governmental bids because of the satisfactory price levels (which are approximately 5% lower than the Caterpillar product). The lower price range makes this product more appealing to governmental and the small sub contractor customer.

Studies from the American Equipment Distributors (AED) statistics that encompasses all equipment lines indicate more useful life out of Caterpillar products in general compared to other competitive products. An exception to the norm is the 517 & 525 log loader that Caterpillar lost the market to in the 1980's. John Deere had a superior

product in the 1980's and now has the dominant market share in the Long Machinery territory (AED, 23).

The John Deere dealerships are Rowand in Lewiston, and Triple Win Missoula and Kalispell. These dealerships are long-term dealers who are customer friendly by centrally located with excellent financing and strong name recognition through by representing the John Deere name.

Komatsu earthmoving machinery is the strongest competitor by having 20% of the market share. This earthmoving product is price competitive (sales and rental), location and product competitive. The product weakness is parts availability, often the sales team has had to commit to providing an identical product to sit along side of the product purchased in a time line project that is mining or Construction related. The sales team packages additional sales incentives into the package. These amenities are sometimes related to the machinery sale while others are not.

The Case product has customer acceptance by the individual that owns a few to one machine. It is a product that is customer accepted as a result of the price appeal in sale and rental. The companies also have a good finance program, warranty coverage and accessible locations.

Parts

There are three ways that customers can purchase replacement parts. The customer can purchase the same brand of part as their manufactured piece of equipment from the dealer whom they purchased the equipment from. (Long Machinery has 58% of

the market of Caterpillar equipment in the territory). The second way is to replace the part through a competitive company that fit Caterpillar products (for example John Deere has a reference book that cross references the Caterpillar part number with the John Deere part number). The third way is to use a "will fit" brand for a replacement or maintain and part on a machine. These companies are in business to make replacement and maintenance parts. The Caterpillar parts number translates to a John Deere Part.

The Long Machinery Company has 58% market share of parts on the Caterpillar Equipment. The competitive brands in hydraulics GET, undercarriage, and maintenance parts are Industrial Parts Depot, Black Cat, Canadian Blades, and Esco. These after market parts are put on the machine versus the original equipment manufacturers parts. The distributors in the Long Machinery territory include Modern and Jones, NERCO, Henley Owens Equipment, and Modern.

Service

The servicing of Caterpillar machinery is extremely competitive, between all heavy equipment business servers. The rational for the competitive industry is that price ranges from 500.00 such as a cylinder replacement to engine rebuild at 42,000.00. Critical factors for the customer are efficiency, trust, and sense of urgency. The amenities that are offered by Long Machinery and the various competitors include field service response, technical information, warranty, and parts and service rep accessibility. Long Machinery also maintains a database on the history of all Caterpillar equipment sold by the company post-dating 1985 (Appendix E). The reports are called simms reports and are utilized by

customers buying equipment from Long Machinery or from another source.

The strongest competitors in service are the customers themselves. The challenge is to convince the customers that servicing their product in the L/M service dept is of more value to them then doing it themselves. The Lewiston, Kalispell, and Missoula stores have competitors that can provide service at a lower price than Long Machinery. The rational for this is that the competitors have fewer overheads, in tooling, training of technicians, facility costs, and mobile lube truck service. Some of the more aggressive competitors do not have a high overhead and can offer the product at a better price. In the Long Machinery territory they are Northwest Rigging and Modern Machinery.

Engine

The truck business is an extremely competitive business. The businesses that service truck engines compete with businesses in cities in on every two lanes and interstate highways that the freight trucks use. The location, price, convenience, and efficiency are the factors that determine if the customers continue to do business with a company.

The Long Machinery Truck engine division is conveniently located just off interstate 90. The prices change depending on the volume of business and space available at the time. The convenience is related to the billing for service, and the type of services available. Long Machinery truck engine division specializes in servicing and diagnosing the Caterpillar engine, where as the competitor is a complete truck service. These local services throughout the territory include Freightliner, Peterbuilt and Kenworth. They buy

Caterpillar parts at a discounted price (TEPS dealers) from Long Machinery. The ability to stock Caterpillar parts allows them to service trucks with Caterpillar engine along with the Detroit Diesel, Cummins.

In analysis of the business climate, and because of the competition Long Machinery Management team for their business division needs to stay current with inventory levels, and the service shop work and the prices offered by the competitors. The management will assure the success of the business.

Industry Analysis

Highway Construction

As of January 1999, the number of highway construction dollars committed to the territory by the Federal and State government is similar to those of one year ago. The federal funds have not been utilized because the State Highway Department has not been proactive in their organization of highway projects (Appendix F). These federal highway dollars allocated to the state of Montana and Idaho have resulted in a need for more heavy equipment. Despite this availability of state highway funds, the state does not have the manpower to set the project up for bid, resulting in frustrated contractors, aware of the fact that the Federal dollars end Jan 1 of 2002. The Federal dollars allocated to the highways have resulted in an (10% increase in sales).

Site Development Construction

Opportunities resulting from commercial and residential building construction is

expected to remain comparatively unchanged from 1998. The profits in this area for Long Machinery have remained unchanged in 1998 and 1999.

Mining Market

Overall, mining opportunities are mixed. In 1993, Long Machinery successfully placed a fleet of mining equipment with Pegasus Gold near Anaconda, Montana. Pegasus has discontinued mining and a period of reclamation has started. How much of an impact this will have on parts and service sales in 2000 is not fully known.

In 1994, Long Machinery sold a fleet of mining equipment to FMC Gold near Salmon, Idaho. In 1999 and 2000 this fleet will require ongoing parts and service. However, the price of gold has declined in recent weeks and the impact of the lower gold prices on this operation is not fully known.

Mining opportunities continue in the Butte, Montana area, particularly as it relates to copper mining. Exploration of new gold deposits continues in the Salmon, Idaho area.

Asarco continues to move forward with its new mine near Noxon, Montana. If this becomes a reality, it will present a significant opportunity for Long Machinery.

Forest Product Industry

Challenges that have confronted the forest product industry in recent years continue. Supply remains the principal long-term problem resulting from reductions in timber harvest on public lands. In the short term, this industry has been able to acquire timber from private lands to replace timber not harvested from public lands. The question remains how long timber from public or private lands can sustain the industry.

The prices in the lumber business appear to be the result of an ongoing imbalance of supply and demand. No significant change in the demand or price of timber is foreseen at this time. However the market is up for the lumber on a world market level. The major lumber companies that have working operations in the Long Machinery Territory are expanding and maintaining. The machine sales are positive.

Paper Market

Paper prices have stabilized, particularly for linerboard. Stabilized low paper prices are continuing to have an impact on chip prices, which in turn affects the chip producers. Chip producers at this time are producing surplus chips. However, this market fluctuates continuously. This is a volatile market, changing from day to day.

Hazardous Waste Market

The hazardous waste market continues to provide opportunity. A major project in the Anaconda began in 1996 and this opportunity is expected to continue to 2010.

Agriculture Market

The agricultural markets of North-Central Idaho and Eastern Washington are fair. Wheat prices have declined, while potato prices are up. The Agriculture market is considered a market in continuous fluctuation. The farmer is reluctant to commit to an

additional machine payment. When the market is good the American farmer often pays cash but when the markets are in a decline the farmer relies on the dealer and the manufacturer to provide better interest rates, subsidies, and guaranteed residual values all designed around the farmers' reduced cash flow requirements.

The crop outlook for the coming year is low but stable because of past economic stability. However, until such time as the crops are harvested and the price at which they can be sold is known, a more accurate outlook for the industry cannot be known. Farmers are reluctant to buy product, resulting in few sales in the agriculture line, they need to be assured of better market conditions and flexible finance programs.

Transportation Industry

The transportation industry continues to provide Long Machinery with growth and opportunity. Caterpillar has improved engine capability in product development. As a result the forecast of new truck engine sales is higher, the outlook for the service and repair of truck engines now in operation is good.

Government

Information received from cities and counties in our territory indicates that government purchases in 2000 for Caterpillar produced products will be approximately the same as in 2001.

Power Generation

Power generation has proven to be an excellent market for Long Machinery. There are more sales opportunity for stand-by power and primary power than in previous years. The demand is a result of an increase in power prices, and a strategic businesses change by companies in the Long Machinery territory.

Cat Rental Store

The "Cat Rental Store" will be introduced as a division of Long Machinery. The Rental Store will differentiate itself from local rental stores by providing parallel products as inventoried by other rental stores. This includes items that range from small hand-held equipment to large backhoes or D-6 Crawler tractor. Caterpillar is continuously introducing new improved products through their dealerships. These products need to be introduced to the customer, as a customer service. The Rental Store will rent a new line of compact equipment, which includes mini skid loaders and mini excavators. Society as a whole is utilizing more rental equipment. This is a result of their belief in the importance of business efficiency, leasing or renting rather than owning.

Caterpillar is encouraging their dealers to introduce one-stop shopping for their customers. The marketing concept is to have equipment buyers also buy all needed supplies from Long Machinery. This means an advantage to the customer in that parts and service come from a single source. This concept also introduces the fact that Cat equipment has been designed and engineered to work together, which should help smooth out the production flow.

SWOT Analysis

Strengths:

- Long Machinery's reputation for superior product and service has a factor in the success of the company.
- Long Machinery provides employee benefits, training, and is a preferred work place.
- These amenities result in long-term employment, employee commitment and low turn over, this satisfaction has a positive impact on the customer they work with the same employee long term.
- There is good repeated business, indicating long term and a high level of customer satisfaction.
- The various business units at Long Machinery maintain a competitive edge in the industry; this is as a result of the technical staff. The technical staff has a direct link to product and development at Caterpillar Inc, assisting in machine problem resolution this differentiates Long Machinery from their competitors. Technical information at the dealer level is valuable to the customer.
- Long Machinery's service department has a multitude of areas for expansion. These areas include: CSR's, hydraulics, welding, PMI's lube truck, and the used equipment

and parts internet site.

- Parts inventory network between Cat dealers surpasses competitors in locating and delivering to the Long Machinery customers in a timely fashion.
- Long Machinery sponsors training sessions for employees in-house and training that requires traveling. This training provides the customer with more professional service.
- Caterpillar, Inc. provides Long Machinery with evaluations of competitive products. This information is utilized by the sales Rep's when interacting with the customer bases to gain the competitive edge.
- Long Machinery inventories the new product lines and manufactured models by Caterpillar.
- Long Machinery acquires the technology recommended by Caterpillar, the information systems network customers, dealers and supplier.
- Long Machinery utilizes finance companies that specialize in heavy equipment financing.

Weaknesses:

- Traditionally, employees at Long Machinery have been promoted within narrow fields, resulting in a rather myopic viewpoint, one lacking in diversity and innovative thinking.
- The upper management does not always foster an atmosphere of trust, cooperation and teamwork. Upper management rather than sales reps, resulting in vertical as opposed to horizontal management, determines specific machine price profit margins.
- There may be a perception that the Caterpillar products Long Machinery represents are too expensive, this indicates that the value and benefits of the product need to be more clearly emphasize and differentiated from competitors.

Opportunities:

- Long Machinery has operated in the Missoula area for over 20 years, making it a locally owned and established company, with an excellent reputation. The longevity and stability of the company makes it more attractive for customers to do business with because the purchases are large investments.
- There is a current trend of customer acceptance of the rental industry. Long Machinery will add a "Cat Rental Store". The rental store will be at a separate location, near the machine parts service and truck engine store, adding synergy to the

business as a whole.

- Caterpillar used equipment has excellent customer acceptance. Long Machinery has added a used Caterpillar equipment division. The division will sell equipment in the North American market (Cat equipment is defined as used when it is two years old). New Caterpillar equipment cannot be sold or leased out of the Long Machinery territory. This is a regulation for all Cat dealers.
- Federal government has increased highway funds allocation. Montana's and Idaho allocations have been increased up to 65%. The increase highway fund will affect the Long Machinery sales in the large construction area.
- New opportunities for utility companies mean more utility and fiber optics lines resulting in increased heavy equipment use.
- The current interest rates encourage acquisition of products.
- Mortgage rates are considered reasonable resulting in increase of house building, in turn there is an additional use of machinery.
- The economy is fairly stable, this public perception results in continued business expansion, thereby utilizing more equipment.

Threats:

- Industries served by Long Machinery are volatile based on economic fluctuation.
- Adverse economic conditions have resulted in a more conscious buyer.
- Caterpillar Inc. is under pressure to market products that are more cost competitive. This is a result of competitors engineering parallel products to Caterpillar. These products are then sold at a lesser price.
- There has been a decrease in the purchase of equipment, as rental terms have become more attractive to companies requiring Long Machinery's products.
- Industry analysis in earth moving machinery indicates that competitors are parallel in engineering, meaning gaining the competitive edge results only in customer satisfaction and customer service.
- Long Machinery product supplier Caterpillar Inc often out sources components machinery, because of their corporate strategy to triple profits and down size their human resource team, recent experiences by customers have illustrated that their P & D has not tested the new product lines thoroughly and customers have experienced satisfaction (OEM-original equipment manufacture).
- Low commodity and metal prices have demand for farm equipment and mining

equipment.

Desired Outcomes

Caterpillar products are priced on average 10% higher than the Competition. The customer must be able to see value in the Long Machinery purchase when paying over the price of a competitor's product. The goal of the marketing plan is for the customer to be able to differentiate Long Machinery's products and services as superior to the competition and to view Long Machinery as a total customer solution center. Long Machinery's weakness in the past has been the inability to market the image of total customer solution. The desired outcome is to create positive perception of doing business on an on going base with Long Machinery, based on business solutions; through product purchase, service, rental, finance, product education, consultation and resale as a complete action. Increasing awareness in these areas will ultimately lead in increased sales and a strong customer base.

Target Market Analysis

Long Machinery's target markets are customers that value the quality of the Caterpillar product and the service and support that go along with the purchase of the product. Within the Long Machinery territory there are individuals that have utilized the Caterpillar products for many years. The target market is already defined; the challenge is maintaining the target market. The engineering in competitive products has become

parallel with Caterpillar products, while the prices of competitive products go down. Excellent customer service is necessary for Long Machinery to maintain to sell their products that are almost 10% higher in cost. The customer to the sales rep on a continuous basis challenges this cost difference. The sales rep to the customer must communicate the product success, and customer acceptance.

Target Market Profile

The geographic market is mapped. (Appendix G).

Business Profile

The business profile includes serving the governmental market segment: city, state, and federal. The next business profile includes the small businessman who may have one machine, such as an excavator. The medium size customer is the third profile. He has 3 to 10 machines, including perhaps a road contractor. Finally, the fleet owner is the customer or company that owns over ten and may own up to fifty machines (an example of this would be a mining company or a fleet of on highway trucks with Caterpillar engines).

Buying Behavior

Long Machinery's customer base is quite large and diverse. The diverse customer

base encompasses a multitude of markets. A common thread that all customers have who purchase the various product lines is the assured trust in the quality of the Caterpillar products sold and serviced through Long Machinery. The targeted customer views Long Machinery's products and services as a vehicle that allows them to maximize productivity within their businesses. A customer expects excellent service through the Long Machinery sales and service team, this is a result of purchasing a product that is 10% over competitive products.

The buying behavior of the Long Machinery customer is individual, however generally the customer in the Long Machinery territory has an average of one or two machines. The limited work season and limited jobs available generate less income for the machine owner within this territory in contrast to a machinery owner in a territory of a milder climate. This challenge requires the machine owner to be financially sensitive. Generally, the buying pattern is based on the companies buying philosophy, current industry trends, and current economic trends. The customer values good financial programs, high resale value, and an initial perceived good purchase price on machinery.

Marketing Strategies

The goal of the marketing strategy will be to create product differentiation to the Long Machinery Customer. The marketing strategy will illustrate to the customer the benefits the Long Machinery Company provides the consumer that competitors do not. The basis for our differentiation is to give customer support above and beyond their expectations, through service, financing, warranty, parts, resale, demonstrations, rebuilt

parts/products, education, technical support, and acquisition consultation.

The Caterpillar product line is already perceived as a differentiated product because of its position of leadership in the industry as indicated in the introduction, with a ten percent cost difference. The challenge is to be aware of competitive marketing within the region of the continuous movement of the competition. Another challenge is to replicate the Caterpillar product and distribution system. The Long Machinery Company and the Caterpillar Corporation must continue to emphasize the message of differentiation, and continuously identify the competitions marketing strategy so that Long machinery can respond to it through marketing and awareness of the sales representatives.

The strategy for differentiation will be marketing Long Machinery as a provider of customer business solutions in all the Long Machinery business entities, machine sales, parts, service, and engine in all the branches. The marketing strategy will be implemented through, relationship marketing, communication, and product/brand alignment. The strategy will be delivered through billboards, flyers, trade magazines, proactive communication (verbal, written, industry related activities), quick response, and product logo alignment.

Relationship Marketing

The purpose of utilizing relationship marketing is to instill in the customers the perception of old fashion values of a trusted relationship with a machine representative. The companies' goal would be to build a customer/sales representative relationship. The

relationship would be perpetuated through a common bond of sharing of information related to the industry, consultation, Caterpillar equipment and a sharing of common experiences. The marketing strategy is to utilize a customized approach for each customer's business. The customized approach will be related to a long-term relationship plan. As a result, by forming solid substantial relationships, the company sales will grow.

Goals of Relationship Marketing:

- The goal is to strengthen the relationship between Long Machinery and existing customers. A profile will be done by market and targeting individual customer values-and correlating experiences that will be of value to the customer.
- The goal is to reestablish relationships with former customers, by analyzing the direction of their business and brings to their attention how our products and services currently apply.
- The goal is to instill in the customer their importance by quick response and sense of urgency. The sale's representative's would carry cellular phones when in the office and in the field. This would allow easy access to them by the customer. The cellular phones would also accommodate the company's goal of responding to sense of urgency.
- The goal for the sale representative is to communicate to the customer the most efficient use to customized service strategy.

Communication Awareness

The goal of the communication focus will be for the sales rep to effectively and efficiently communicate when consulting customers on current products, giving information on programs, problem resolution, machinery, and industry information and business issues. The sales representatives of Long Machinery will have a role as a consultant, assisting customers with long-term machinery and maintenance planning. Enabling customers to work through changing economic conditions while targeting Long Machinery and Caterpillar Products and programs that enhance their businesses. This form of consultation will assist the customer with greater productivity, maximum efficiency and creative and flexible financial options (Appendix H).

The Goal of Communication

- The sales associates will be trained in negotiation, mediation, conflict, and resolution effective communication skills that will enhance customer relationships. These skills will enhance the sales skill level.
- The sales associates will get experience on communication challenges with the customer by role-playing. The point of the role-playing experience is to have a positive interaction with the customer, as well as practice is resolving issues that arise in sales/customer relationships.

Product Alignment Through Brand Association

The Long Machinery and Caterpillar logo represent two long-standing companies that customers identify with, have paid a premium price to own the product and have spent time to study and investigate various products. Two effective ways to market the company are through word of mouth and customer interaction. The purpose of the brand association will be to align the customer with the Caterpillar logo and the Long Machinery Logos. The purpose will be to give the Cat Customer a "warm fuzzy feeling" when seeing the Cat logo. The outcome will be for the customer to automatically want the Caterpillar produce over any other competitive product because Caterpillar has been a product of desire through logo and brand association.

The goals of product alignment through brand association:

- The sales rep will independently target products with a logo that will be of value to each individual customer.
- On an annual basis all customers will receive products annually that align them with Long Machinery and Caterpillar.

Relationship Marketing Strategy

“Product quality, once a competitive advantage, is now just built into the game. The one

place you can differentiate yourself is the service you provide” (Siekmann).

Company and Sales Rep Actions

- Correspondence to Customers. (Appendix I).
- Dinner or lunch with visiting Caterpillar Executives for customers whom would enjoy this type of professional interaction.
- With every new machine purchased will be accompanied by one on one training to the owner operator by Caterpillar professionals
- Ongoing in the field product demonstrations.
- Mail flyers-market specific.

Store Support

- Black and white photographs of customers on display on the walls of the parts department, illustrating to the customer how proud we are to serve them, and instant recognition of the relationship.
- Employee and customer coffee room.
- Waiting room customers can use while waiting for machine sales reps, parts, and service. The waiting room will have a professional yet comfortable atmosphere that not only sets them at ease, but also illustrates Long Machinery’s desire for professionalism.
- Mail flyers-market specific.

- Videotapes in parts and service areas showing Long Machinery products
- Factory Trips, creating enthusiasm for the product, educating the customer on product differentiation.
- Factory Trips, bonding the customer to the Caterpillar product, Long Machinery and their own product by watching their product in the manufacturing process and assisting in the final stages of manufacturing. Hosting dinners for customers to meet and exchange ideas with Caterpillar executives.
- Customer Days, as a forum to demonstrate new Caterpillar products and technology by having Caterpillar Technology team present
- Computers and instructions on parts counters to assist customers in accessing Long Machinery's web site.
- Signage throughout the Long Machinery physical locations, focused on customer solutions.

Advertising

- The billboards will be strategically placed near all Long Machinery facilities.
- Highway billboards related to customer solutions, and communicating our all-encompassing business solutions.
- Mail flyers are market specific: Logging, Mining, Large Construction.

Examples of advertisements are as follows:

1. “Cat”
Designed
Delivered
Billed
Bundled
Explained
Maintained
Repaired
Renewed
...With ease

Long Machinery Company

“Cat rental”, truck engine, power generation, and agriculture, compact and earthmoving machinery.

Billboards/Signage Placed in Businesses:

1. For the Long run... Long Machinery.....Focused on Customer Solutions

“Cat Rental ”, Backhoes, Evacuators, Power Generation, Truck Engine, Compact Equipment, Service, Parts
(Appendix J)

2. We’ve come a Long way...We’re going even further...

“Cat Rental”, Power Generation, Truck Engines, Mini Skid Steer Loaders, Cat Financial

We want to take you there!

Long Machinery.....Your Caterpillar Dealer

(Old Caterpillar with the Challenger)

(Appendix K)

Sense of Urgency

Company and Sale Rep's Efforts

- Train employees in a customer response system. This system enables the employee to identify and supply the product the customer wants at the very best price and as efficiently as possible.
- A cell phone system that Sales Rep's have with them at all times, allowing easy access to the customers.
- Office efficiency – and expediency in paper work.
- E-mail responses on equipment inquiries, transmission of finance papers and machine contracts
- Web-site photographs and listing of new and used equipment.
- Following the paper work and identifying the inefficiencies, and correcting them.
- Educating customers on Long Machinery's investment in technology that would provide customers with timely service SIS (Service Information System) on computer. This is when the infield serviceman travels to a machine to repair with a laptop that has information on all parts and service manuals for all Caterpillar products. This system provides a faster turn around time for the customer. Eventually parts can also be ordered by the field serviceman by a icon on the computer when the serviceman returns from the field to retrieve his parts and go

back out to fix the machine, the parts are ready.

- Educate Customer on SIS System at Customer Days.
- Advertising -Visuals, Billboards-Flyers.
- Marketing Campaign emphasizing sense of urgency.

Samples are as follows:

1. What Are Our Values?

Teamwork

Knowledge Sharing

Confidentiality /Trust/ Integrity

Sense of Urgency

Long Machinery...Delivering Caterpillar Products and Customer Solutions

2. (Customer Testimonial)

1968

The owner of Montana's Largest Logging Enterprise, Long Logging" operates all Caterpillar equipment, he states, "I own Caterpillar equipment because it is the best, the most reliable and productive machinery available in the market today."

Jack Long, President and CEO Long Logging

1999

The owner of a Caterpillar Dealership in Idaho, Washington, and Montana, "Long Machinery," he states, "I own a Caterpillar dealership because it is the best, the

most reliable and productive machinery in the world.”

3. **“At every point we put the customer first.”**

“Our Cat dealer is just like a friend. The mechanics are good people. They’ll even come out on a weekend if you need them. I depend on my machines to generate my livelihood.

That’s why I buy Cat machines. They’re always there when you need them.”

LONG MACHINERY.....WORKING TO ENHANCE YOUR BUSINESS.

Communication Training

Company and Sales Rep Actions

- Listen to customer complaints (once considered a drain on resources, has become a marketing strategy for customer retention).
- Training on listening skills and problem resolution.
- Video library to include these subjects, mediation, conflict, and negotiation.
- Consultation on cost cuts and the most economic ways to manage, for example, filter maintenance, repairing and replacing components before they break down. Strategy will be carried out through a coordinated approach that includes the following elements:
 - Have videos and publications related to purchases available to customers.
 - Information through conversation on Caterpillar Corporations & future

plans so they became a more educated interesting person (satellite-signal technology).

--Identifying of publications that enlightens the customer (videos and periodicals-industry and company related).

--Video at the Parts counters in continuous play mode –illustrating substantial products & services customers can integrate into their own companies.

- Direct customer service finance line that responds to billing and finance questions (market strategies to develop personal relationship with customer by assigning customer to an individual in the finance department).
- Customer friendly invoicing.
- Consultation and customer training that highlights the various factors affecting equipment performance, such as installation, rebuilding and removal of components.
- Selective training sessions available to customers and technicians, and presented in Long Machinery training room.
- Customer Video Library available with instructional tapes exemplifying how companies can reduce hourly operating costs or eliminate rebuilds.
- Consult customers on new product offerings and bring the actual new items to the potential buyer.
- Advise customers on the technologies that will increase efficiency without changing the character of what is being produced. This is a way for human rescuers staff to give tips on practical ways to approach technology and at the same time to continue to give good practical service
- Sales department and CSR's can advise customers of how to recoup expenses

pertinent to the purchase of machine.

- Publications and word of mouth.
- Add value to the customers shopping trip to the parts counter by making the shopping experience more exciting through more services, easier and faster service.
- Call ahead service ---With charge out capabilities, for time efficiency.
- Identify mission to make people enjoy buying Caterpillar products from Long Machinery Company.

Store and Physical Location Support

- Train employees in a new mind set—one where customers and community members are valued guests in the Long Machinery store. Motivated and accommodating employees can be given awards, serving then as incentives to other employees.
- Sales Reps Training – communication, negotiation, presentation skills, conflict resolution.
- Training on computer simulated presentations, shown to customers on site: from the salesman's car, in the customers office.
- Video presentations in parts departments from corporate headquarters.

Visuals- Billboards in Truck Stops and along Highways in a Flyer

1. DEDICATED....

To positively impacting our customers strategic direction and business performance

Long Machinery

A Team that works on customer solutions.

(Black & White picture of all Long Machinery's employees with Long Machinery team ...Working on Customer Solutions.)

Logo & Brand Alignment

Company and Sales Rep Actions

- Attending industry related conventions, Creating up-to-date/ creative merchandising areas in the main store and branch stores.
- Building a portable merchandising area that can be transported to conventions and territory trade shows.
- Distribute hats, coats and Caterpillar logo merchandise to buyers of the Caterpillar product and the buyers employees.
- Sponsored customer trips to the machinery expos.

Marketing Strategy Utilizing Advertising

“Effective advertising does not necessarily require the expertise of high powered media”
(Catalano).

The first objective of this advertising campaign will be to convince the customer

that the Long Machinery Company is dependable, trustworthy, fair, and worthy of a long-term business partnership.

The second objective is to re-enforce the high quality and reliability of Caterpillar products together with Long Machinery's complete dedication to providing customer solutions. This requires continuous communication and response to the customer base.

Billboards/Signage Placed in Businesses

Missoula 3 billboards

Kalispel 4 billboards

Lewiston 3 billboards

- Small versions of the marketing slogan will be at the entrances of all stores.
- Industry related periodicals and flyers would also have this ad included.
- The objective is to reach all of long machinery's market segments and to create a perception of timesaving, trust, and ease.

Relationship Marketing

- The human resource employees that have any kind of customer contact will be trained interpersonal skills, conflict, negotiation, and mediation.(Field serviceman, parts counter men, CSR's, sales team, and receptionist)
- The customer service representatives will be sent out to personally give customers information on products and information on business trends that will enhance their

businesses. An example would be current financial rates and percentage rates.

- The CSR's will make an effort to photograph the customer's machinery at work and display these photos in the parts department.
- The sales and CSR's will annually present Long Machinery's valued customers with a Caterpillar-merchandising product. The purchases of a machine will qualify the buyer for a coat—or other logo item.
- The CSR's along with the sales department will invite customers to educational events (locally—Long Machinery sponsored and nationally—Caterpillar sponsored) that will initiate the customers business. The objective of this is long-term relationship building by integrating fun with sales, and equipment maintenance.

Brand loyalty

- All departments will utilize the videos and resources of Caterpillar Incorporated to create enthusiasm for Caterpillar products.
- All departments will explain Caterpillars expansion on world level and share corporate news in an effort to widen the customer's awareness and in the company whose product they have invested in.
- The sales and CSR's will utilize the various merchandising programs from Caterpillar in order to make the "Cat " products price competitive.
- Cat products will be distributed to machine buyers, and customers.

Product Market Match

The goal of the product market match will be to emphasize Long Machinery's

ability to represent the Caterpillar products unique advantages and thereby differentiating it from the competition.

Two types of marketing strategies will be used: differentiated marketing and micro- marketing. Because of various product lines, and a variety of industries that demand a marketing mix, Long Machinery will employ a differentiated marketing strategy.

Micro marketing will be used only when it is important to focus on more concentrated markets. Markets that can boost sales be through a financial program offered by Caterpillar, or by inventory reduction at Long Machinery or Caterpillar.

Caterpillar products sold by Long Machinery include agriculture, construction, forest products, government, and mining, transportation, utilities and power generation equipment. Long Machinery represents "Cat Rental," a business that ranges from small equipment to compact equipment. The equipment sold will be different and require the following product market match based on the target market analysis.

Agriculture: Farmers, Ranchers, and Custom Cutters

The tractor and combine sales occur in Dillon and Lewiston, Montana. The Equipment is used for soil preparation for various crops and the harvesting of those crops.

Construction: Highway Contractors, Bridge Contractors, Building Contractors, and Road Builders

The construction market covers the entire area. There is no specific concentration area, unless a road construction project is in process.

Small construction equipment: track-type tracker, front-end loader, and excavator.

Large construction equipment: excavators, track-type tracker, asphalt pave, cold planer, compactor, and articulated truck.

Forest Products: Paper Mills, sawmills, and Logging Companies

Forest product equipment is sold throughout the territory, however, there is a concentration of products sold in the Kalispel, Montana territory, i.e., log loaders, feller bunchers, tractor-type tractors.

Government: County and State

The County and State utilize crawler-type tractors and graders for road maintenance.

Mining: Mining Companies

Mining equipment is utilized by one mine in Salmon, Idaho. That equipment includes excavators, wheel loaders, and off-highway trucks.

Utilities: Utility Companies

Maintaining and digging new utility lines utilizing products that have trench capability, i.e., excavators, pipe layers.

Power Generation: Meridian Mines, Butte Silver Bowl, University of Montana

Generators are sold to provide power to companies that lose production when electricity is down.

Rental: Customer with any kind of small equipment needs

The Cat Rental Store will inventory from hand tools through compact equipment. The store will be marketed towards individuals and small companies that deal with light construction work.

Controls

Long Machinery will do an evaluation of the marketing strategy. The customer service department will be analyzed from two perspectives: 1) How does the customer presently view Long Machinery in relation to customer service and customer satisfaction? 2) What can Long Machinery do from an internal perspective to demonstrate to the

customer the advantages of a proactive business partnership? An interview survey will be given to 10 industry customers served by Long Machinery. The same interview will be given following year to the same customers. An opposite and parallel comparison analysis will then be done. The end results will illustrate a subjective measure of success (or failure). The controls and evaluation portion of the paper will be based on the forms of control and evaluation currently used in conjunction the marketing theories presented by Darrell, Lucas, and Luck.

At this time, Long Machinery and Caterpillar, Inc. is striving to use modern control and evaluation techniques. The forms of control and evaluation from Caterpillar, Inc. as recommended for the various dealerships are not customized or territory specific. Long Machinery aims to evaluate customer needs with customer/dealership interviews, ones that address their specific concerns and satisfaction. For example:

1. Selective long term customers will be interviewed about the various marketing techniques and asked what they feel has been effective in customer/company relations in the past year. This interview will target the effectiveness of the various efforts.
2. Evaluate the customer satisfaction surveys sent out by the manufacturer. Look for increased improvement in the various categories related to the marketing campaign.
3. Information on promotional efforts by asking the customers at time of service

if they feel our promotional efforts are valuable (1) in the billboard ads, (2) in flyers that provide information to the valuable segmented markets. Once the receptionists in the various divisions note this information, a task force team will evaluate the information and do an analysis of an effective promotion.

Evaluation

At the end of a one-year period a survey will be given to customers (20 Large – 20 Small). Identifying an effort by Long Machinery to provide up-graded and satisfactory customer service. The surveyor will identify the various techniques used in the marketing strategy and ask the customer if he or she feels they have been effective (Appendix L). The results will then be recorded and analyzed based on marketing plan effectiveness.

Appendix A

Map of Montana, Long Machinery's Geographic Territory



Appendix B

Customer Evaluation Interviews for Parts, Service and Sales

Interview #1

Jenson Brothers Paving: George Jenson

What is important to you when you work with Long Machinery?

- Fair prices, easy access to sales, parts and service person, accurate quotes on service work, priority customer for additional rental machines during the busy season.
- Accurate ordering and fast delivery on parts during busy season.

What amenities are important to you?

- Cat Hats

How can we help you as a businessperson?

- By informing us of any new products that will help with company efficiency and productivity.
- Be accessible when we need to speak to you.
- Inform us about any new warranty or maintenance policies or program.
- Present ideas for upgrades in equipment ahead of season, to get best buy.

How can we help in the area of finance?

- Let us know when there is a no interest and or a product buy down.
- Provide a direct telephone access to the individual in charge of the invoices.

Interview #2

Mungus Company: George Mungus

What is important to you when you work with Long Machinery?

- Fair business

What are amenities are important to you?

- Nothing, just good service.

How can we help you as a businessperson?

- By getting the repairs done fast
- During my busy season done fast.
- Reminding him that my warranty is warned out.
- To keep sales reps keep in touch, but don't waste my time.
- That quotes reflect a fair and accurate price.
- That the management assigns a sales rep to the company that can retain confidence and can be trusted.
- As Mungus Company bids each project and equipment needs change, have current prices and information on access to machines that are readily available for use.

How can we help in the area of finance?

- Knowing that my accounts are accurate.
- Being able to ask questions about billing.
- That pricing programs are told to me about various machines I use when Caterpillar puts them out.

Interview #3

Ed Cheff (Cheff Logging Company)

What is important to you when you work with Long Machinery?

- Machine availability
- Parts availability
- Good atmosphere
- Reliable and good help.
- The tools to do a good job with

What amenities are important to you?

- Hats, Jackets

How can we help you as a businessperson?

- Teaching the customer the services that are available
- Making sure the people are up to date
- Best financing.

How can we help in the area of finance?

- Best Financing available as economy changes

Appendix C

Grey Iron

Component	320C OSJ	320C ISJ (Grey Iron)
Wiring GP	Ready for Std. N. American attachments (fine swing, refueling pump, third pedal, etc.)	Built for Japanese attachments, incompatible with standard N. American attachments
Air Conditioner	Nippon Denso	Mitsubishi Heavy Industries
Water Separator	Stanadine	Wako
Engine Arrangement	.95 Fan Pulley Ratio with water sampling valve	.90 Fan Pulley Ratio without water sampling valve
Power Link	Has lift bar	Does not have lift bar
EPA Certification	EPA Certified	Meets EPA Standards
Operation & Maintenance Manuals	In English	In Japanese
Hydraulic Hose	Uses Cat Hose	Not Cat Hose
Radio Mounting	Rear window upper mounting. (No radio from Akashi)	On right side control panel all machines have AM or FM/AM radio. JPN radio band and no radio 12V converter.
Metal Roof Hatch	Not offered in NACD	Option in Japan
High Ambient Cooling	Standard in NACD	Option in Japan
Counterweight Lifting Device	Can be seen from ground level in NACD.	Only visible from upper structure.
Serial Numbers		JPN STD U/C:AKH***** JPN LC:ALF***** JPN Hammer Package STD U/C :BCB***** JPN Hammer Package LC:BDB*****

Appendix D

Competitive Report

Overview

This bulletin compares key features, specifications, and user benefits of the Caterpillar 315 L with the John Deere 590D which is one of the most important competitors in the 15-metric-ton size class.

SUMMARY OF COMPETITIVE ADVANTAGES

The Caterpillar 315 L offers a number of features and advantages:

- A Modern, Functional, and Durable Design
 - State-of-the-art mechanical and hydraulic systems that provide an outstanding balance of hydraulic system efficiency, controllability, and reliability
 - Excellent matching of power and a hydraulic characteristics to jobsite and application requirements through the use of Power Modes and Work Modes
- An Attractive and Distinctive Appearance
 - Coordinated and easily recognized "300 Family" styling
 - Bold, visible markings
 - "Family" nomenclature
- Superior Operator Comfort
 - A spacious, well-balanced operator's station to help create a comfortable environment
 - Careful positioning of the seat and sliding console to allow the operator to position the seat and control levers for ideal visibility and comfort
 - A simple, easy-to-use "dial" to control engine speed
 - Travel that can be controlled by either levers or pedals, freeing the operator's hands to use implement functions during travel
 - Convenient, well-positioned skylight that is supported by two gas cylinders

Appendix E

Simms Report, Service History of Machine

5769SS1 V4R4M0 990521 Print Key Output LONGMACH 01/11/01 Page 1
15:42:34

Display Device : OPADEV0024
User : XUPH40BAH

B. A. HART H400 S/N SERVICE DATA INQUIRY 11JAN01 16:43:23
PAGE: 01
SERIAL #: 2ZR01119 ARRANGEMENT #: 122-8457 OT SPEC #:
MORE:
SHIP DATE: 0198 SALES DATE: 0198 SELL DLR: H400 PW: 200 DC: 1 01/11/01

PIP/PSP NO.	INCOMPLETE SAFETY AND PRIORITY PIP INFORMATION	LETTER DATE	CAMPAIGN DLR
PS40097	REPLACE PUMP MOTOR GROUP	02/28/00	H400
PS50000	WHEEL BEARING RETAINER PLATE	03/08/00	H400
PS5378	HEUI HYDRAULIC PUMP GROUP	11/10/97	H400
PS5418	IMPROVED THRUST PLATE	06/28/98	H400
PS5651	REPLACE CYLINDER PACKS	02/10/00	H400

GROUP	PART	RPR	HOURS	RPR	SIMS	WORK ORDER	COMMENTS
DESCRIPTION	CAUS	DLR	MILES	DATE	CLM	DLR CLM NO.	
- BUCKET CONTROLG	8R-4268	H400	7	0198	S	MW26528 7A	MISSING PART
- INFO RECORD	000-0000	H400	7	0198	S	MW26528 6A	INSTALL CAT BUCKET
- INFO RECORD	000-0000	H400	7	0198	S	MW26528 7A	PREDELIVER
- PREDELIVERY INSP	000-0000	H400	7	0198	B	OEO3259	PREDELIVERY INSP

SELECT DEALER AND PRESS ENTER FOR REPAIR DEALER INFORMATION
APPL: F2=MENU F3=EXIT F4=INO N/A F5=UPD N/A F6=PREV APPL()
PGM: F7=BKWD F8=FWD F9=END F10=NEXT APPL() F11=SN/PM

```

                    Print Key Output
5769SS1 V4R4M0 990521 LONGMACH 01/11/01 Page 1
                                     15:42:54
Display Device . . . . . : OPADEV0024
User . . . . . : XUPH40BAH

B. A. HART H400 S/N SERVICE DATA INQUIRY 11JAN01 16:43:43
SERIAL #: 2ZR01119 ARRANGEMENT #: 122-8457 OT SPEC #: PAGE: 02
MORE:
SHIP DATE: 0198 SALES DATE: 0198 SELL DLR: H400 PW: 200 DC: 1 01/11/01

GROUP PART RPR HOURS RPR SIMS WORK ORDER
DESCRIPTION CAUS DLR MILES DATE CLM DLR CLM NO. COMMENTS
- 50 SERVICE HOUR 000-0000 H400 242 0398 S MW26645 7A 250 HR REVISIT
- REVISIT/TA I 000-0000 H400 242 0398 B OE03242 REVISIT INSP
- V-CYL LOCK,CHECK 6V-8399 H400 980 0798 S MW27403 4B O-RING SEAL LEAKING
- INFO RECORD 000-0000 H400 980 0798 S MW27403 4A TEST ELEC SYSTEM
- V-STRG/AUTO STRG 6V-8399 H400 980 0798 C OE03422 O-RING SEAL LEAKING
- DET. NS DIFFEREN 133-4292 H400 980 0798 B OE03421 INPUT SEAL LEAKING
- SPECIAL PROGRAMS 000-0000 H400 980 0798 C CIS$384 63/36/5000
- INFO RECORD 000-0000 H400 1171 0898 S MW27492 1B OIL SAMPLE ENGINE
- LINES GP-HYD 123-6413 H400 1171 0898 S MW27492 5A JOINT LOOSE
- V-CYL LOCK,CHECK 127-4962 H400 1171 0898 S MW27492 1A LINE LEAKING OIL

SELECT DEALER AND PRESS ENTER, FOR REPAIR DEALER INFORMATION
APPL: F2=MENU F3=EXIT F4=INO N/A F5=UPD N/A F6=PREV APPL{
PGM: F7=BKWD F8=FWD F9=END F10=NEXT APPL{ F11=SN/PM

```


LONG MACHINERY MAINTANENANCE STRATEGIES

I WELCOME AND INTRODUCTIONS

II. MAINTENANCE PRODUCTS UPDATE

- A. EPA REGULATIONS... WHAT HAVE THEY DONE TO US?***
- B. OIL RECOMMENDATIONS... WHAT'S THE DIFFERENCE?***
- C. GREASES AND OTHER LUBRICANTS.***
- D. COOLANTS AND ADDITIVES.***
- E. FILTERS... WHAT DOES HIGH EFFICIENCY MEAN?***

III. MAINTENANCE AND MAINTENACE INDICATORS

- A. GENERAL MAINTENANCE TIPS.***
- B. SCHEDULED OIL SAMPLING... WHAT DOES IT MEAN?***
- C. FILTER, SCREEN AND PLUG INSPECTIONS.***
- D. ENGINE REPAIR INDICATORS.***
- E. POWERTRAIN REPAIR INDICATORS.***
- F. HYDRAULIC REPAIR INDICATORS.***

IV. REPAIR STRATEGY

- A. SCHEDULED REPAIRS... WHY DO THEM?***
- B. HOW DO WE DECIDE TO MAKE REPAIRS?***
- C. COST ANALYSIS OF THE OPTIONS.***

V. CONCLUSION... THANK YOU!

- A. CLOSING QUESTIONS AND COMMENTS.***

PRODUCT/MATERIAL MATRIX
YEAR-END

MMIS

DEALER: LONG

H400

		AG	BLDG. CONST.	EQUIP. SERVICES	FOREST	HEAVY CONST.	INDUSTRIAL	MINING	OTHER	PETRO		IND \$	PINS \$
PRODUCTS													
BCP	BHL											2,092	33.41%
	SHEX											1,090	47.52%
	TT											739	18.13%
	WL											348	72.70%
	TH											0	
	MINI HEX											87	0.00%
	MINI WL											48	0.00%
	SSL											1,615	0.00%
CFSA	MTT											125	100.00%
	TTL											0	
MCE	ADT											262	0.00%
	CMT											0	
	LMP											0	
	MG											1,778	90.49%
	WTS											0	
TTT	LTT											1,349	75.24%
WL/EX	HEX											7,265	15.51%
	LWL											400	0.00%
	MWL											4,026	54.94%
FOREST	SKID											3,802	49.40%
	FOR-HRV											0	ERR
AG	AGT											3,374	30.02%
	CH 'X'											1,232	0.00%
	COMBINES											4,408	0.00%
CPPI	AP											828	0.00%
	COM											1,940	24.43%
	IND \$	9,903	4,117	1,234	8,376	9,631	1,135	1,269	559	585		36,808	30.04%
	PINS \$	(9.12%)	32.04%	13.46%	35.82%	52.21%	0.00%	50.51%	0.00%	0.00%		30.04%	

Appendix F

Department of Transportation Highway Dollars Bill

FEDERAL HIGHWAY BILL

Overview

- \$230 Billion transportation funding over the next six years.
An increase of 40% over the previous funding bill.
- The bill provides \$167 billion for highways and \$36 billion for mass transportation.
- \$9 billion for special highway projects
- \$4 billion to improve roads going to or through lands managed by the BLM, the Forest Service or the National Park Service
- \$275 million annually (1.65 billion) to build and maintain Indian reservation roads.
- \$719 million to encourage states to crack down on drunk driving.

FEDERAL HIGHWAY BILL

Overview for Idaho

- Increase funding 62% from \$125 million to \$203 million annually for the next six years.
- \$108.5 million for 10 special demonstration highway projects
- Highway 95 designated as a high priority corridor.
- \$16 million to build a four lane highway between Genesee and Moscow.
- \$3 million to operate U of I's transportation center in the next four years.
- \$3 million for Lolo Pass visitor's center to be completed in 2000.

Appendix G

Geographic, Market, Product Analysis

TOTAL COMPETITIVE PRODUCT
LONG MACHINERY (H400)
DENV, WEST, NACD

MIS MONTHLY RETAIL PINS -- PINS ANALYSIS
TOTAL COMPETITIVE PRODUCT
LISTED BY ALL COUNTIES FOR LONG MACHINERY (H400)
SALES AND RENTALS

DATA THRU: 11/2000
REPORT: KD_TC51
*** CONFIDENTIAL ***

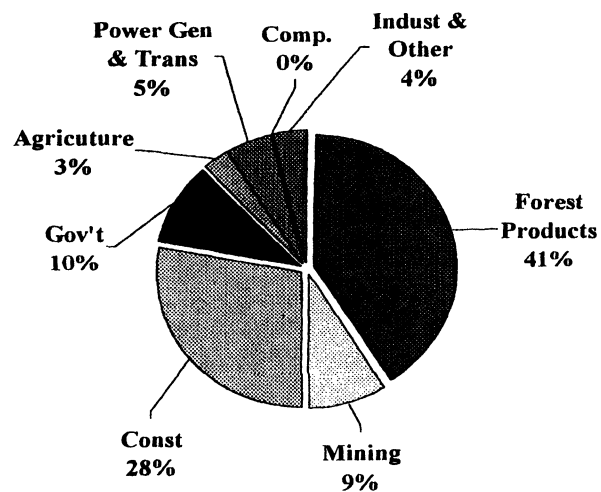
FIPS CD	COUNTY NM	ST	PINS					CAT UNITS					INDUSTRY UNITS				
			YEAR END 1999	ROLL 12 MO	YTD 1999	YTD 2000	CUR MO 2000	YEAR END 1999	ROLL 12 MO	YTD 1999	YTD 2000	CUR MO 2000	YEAR END 1999	ROLL 12 MO	YTD 1999	YTD 2000	CUR MO 2000
16035	CLEARWATER	ID	25	25	25	25	0	1	1	1	1	0	4	4	4	4	1
16049	IDAHO	ID	29	14	29	14	100	2	1	2	1	1	7	7	7	7	1
16057	LATAH	ID	29	38	29	38	0	2	3	2	3	0	7	8	7	8	0
16059	LEMHI	ID	0	14	0	17	0	0	1	0	1	0	1	7	0	6	1
16061	LEWIS	ID	0	0	0	0	0	0	0	0	0	0	1	4	1	4	0
16069	NEZ PERCE	ID	50	43	50	43	0	4	9	4	9	0	8	21	8	21	0
H400 TERRITORY - ID			32	29	33	30	33	9	15	9	15	1	28	51	27	50	3
30001	BEAVERHEAD	MT	0	33	0	40	0	0	2	0	2	0	4	6	3	5	0
30023	DEER LODGE	MT	67	67	50	50	0	2	2	1	1	0	3	3	2	2	0
30029	FLATHEAD	MT	35	24	37	25	33	14	14	14	14	1	40	58	38	56	3
30039	GRANITE	MT	27	17	30	20	100	3	1	3	1	1	11	6	10	5	1
30047	LAKE	MT	38	35	33	31	0	5	6	4	5	0	13	17	12	16	0
30053	LINCOLN	MT	78	47	78	47	0	7	7	7	7	0	9	15	9	15	0
30063	MISSOULA	MT	11	20	12	20	0	10	24	10	24	0	87	122	83	118	2
30077	POWELL	MT	67	33	50	0	0	2	1	1	0	0	3	3	2	2	0
30081	RAVALLI	MT	25	12	25	12	0	3	3	3	3	0	12	26	12	26	2
30089	SANDERS	MT	40	0	40	0	0	2	0	2	0	0	5	3	5	3	0
30093	SILVER BOW	MT	60	50	58	40	0	12	3	11	2	0	20	6	19	5	0
H400 TERRITORY - MT			29	24	29	23	25	60	63	56	59	2	207	265	195	253	8
53003	ASOTIN	WA	43	20	43	20	0	3	1	3	1	0	7	5	7	5	0
H400 TERRITORY - WA			43	20	43	20	0	3	1	3	1	0	7	5	7	5	0

4114

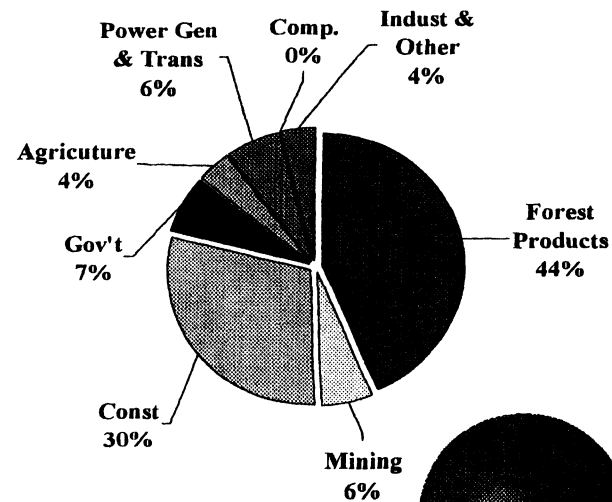
72

TOTAL SERVICE SALES BY MARKET

1999

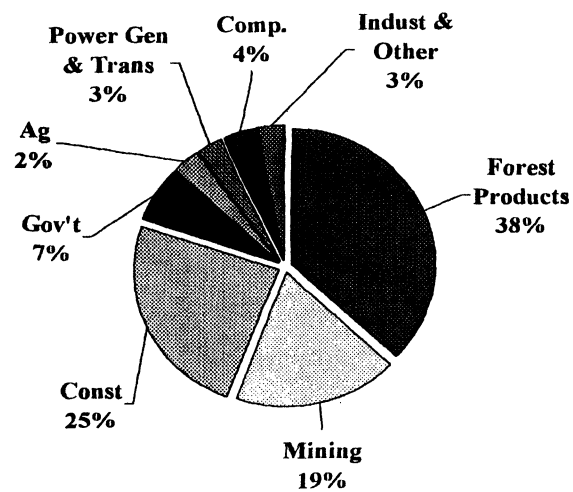


2000

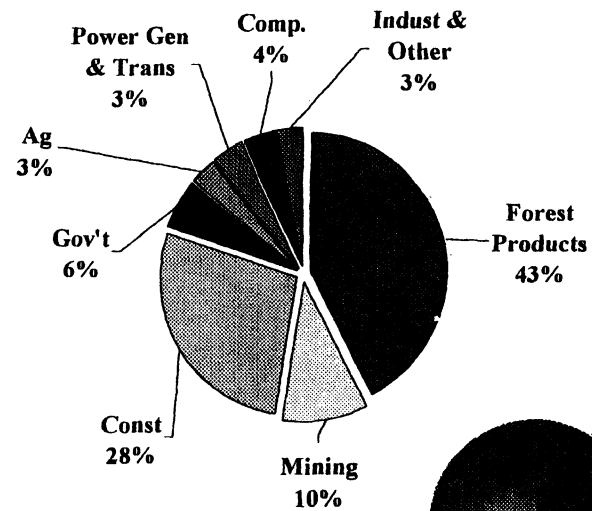


TOTAL PARTS SALES BY MARKET

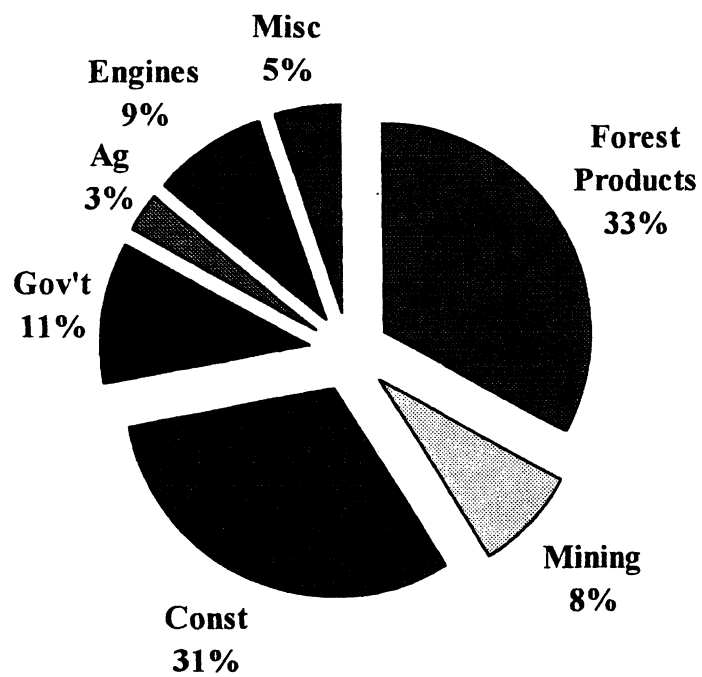
1999



2000



COMPANY SALES BY INDUSTRY 1999



Appendix H

Customer Consultation Services

**Analysis
Cost of Moving Wood Chips
Potlatch Incorporated - Lewiston Operation
Lewiston, Idaho**



The Analysis

We have been informed that Potlatch anticipates increasing the number of wood chips moved per day from 5000 tons to 8000 tons and possibly 10,000 tons. The question we've been asked to address is what is the most efficient method of moving these chips? Use a portion of the existing fleet of equipment now on site or employ a new machine?

This analysis compares the cost of moving up to 10,000 tons of chips per day using a new Caterpillar® machine verses the cost of moving chips using a portion of the existing fleet.

The Analysis

We begin our analysis by illustrating the method used in determining the size and number of machines required to meet these production goals.

Following our review of how machine size and number is determined, the analysis compares the annual cost of operating a portion of the existing fleet verses the cost of operating a new Caterpillar machine.

We conclude our analysis by comparing the operating costs against production to determine an estimated cost per ton for each method of moving chips identified in this study.

**The method used in determining the size
Caterpillar machine required is as follows:**

- 1. The Caterpillar D10R has been selected as the machine that best meets these production requirements.**
- 2. The D10R is a 144,000 lb. machine equipped with a 95 cubic yd. chip blade.**
- 3. It is capable of moving 21.3 tons of chips each cycle based on an assumed weight of chip to be 450 lbs./cu yd.**

$$\frac{95 \text{ cu yd} \times 450 \text{ lbs./cu yd}}{2000 \text{ lbs.}} = 21.3 \text{ tons}$$

4. We believe the D10R is capable of moving 577 tons per hour based on an average push distance of 80 yd., an average cycle time of 1.84 minutes, and an average working hour of 50 minutes.

50 minutes = 27.1 cycle/hr x 21.3 tons/cycle=577 tons/hr
1.84 min cycle

Note: Cycle times were determined by observing the performance of a D10R in a similar application.

5. In the course of a 24 hour day, the D10R is capable of moving 13,848 tons of chips over this average push distance of 80 yds.

$$577 \text{ tons/hr.} \times 24 = 13,848 \text{ tons/day}$$

6. However, recognizing that machines don't operate at full capacity all the time, we've reduced production by 25% to account for operator performance and we've further reduced production to account for machine down time of 2%.

$$13,848 \text{ tons} \times 75\% \text{ machine capacity} = 10,386 \text{ tons}$$

$$10,386 \text{ tons} \times 98\% \text{ availability} = 10,178 \text{ tons/day}$$

To what degree must a portion of the existing fleet be employed to move 8,000 to 10,000 tons of chips per day?

1. To begin, we believe 2 Wagner 24s from the existing fleet operating together are capable of producing approximately 8300 tons of chips per day.

2. The Wagner 24 is a 90,000 lb. machine equipped with a 60 cu. yd. blade.

3. The Wagner 24 is capable of moving 13.5 tons of chips per cycle which was determined by:

$$\frac{60 \text{ cu yd.} \times 450 \text{ lbs./cycle}}{2000 \text{ lbs.}} = 13.5 \text{ tons/cycle}$$

4. Based on an average push distance of 80 yards, we estimate a complete push cycle will average 2.4 minutes.

5. Figuring an average work hour of 50 minutes, the Wagner 24 will average approximately 20.1 cycles per hour resulting in an hourly production of 271.3 tons/hr.

$$\frac{50 \text{ min}}{2.4 \text{ min/cycle}} = 20.1 \text{ cycles/hr} \times 13.5 \text{ tons/cycle} = 271.3 \text{ tons/hour}$$

Note: Cycle times were determined by observing the Wagner 24's at work.

6. One Wagner 24 is thought to be capable of moving 6511 tons of chips in a 24 hour period, assuming a machine availability of 100%.

$$271.3 \text{ tons/hr} \times 24 \text{ hrs} = 6511 \text{ tons/day}$$

7. However, recognizing the age of the Wagners, it is estimated that availability is not more than 85% which would result in an adjusted daily production of 5534 tons.

$$6511 \text{ tons} \times 85\% \text{ availability} = 5534 \text{ tons/day}$$

8. And recognizing that machines don't operate at full capacity all the time, we've further reduced production by 25% to account for operator performance.

$$5534 \text{ tons} \times 75\% = 4150 \text{ tons/day}$$

9. Recognizing that the goal is from 8,000 tons to 10,000 tons per day, two Wagner 24s operating at 85% availability can produce approximately 8300 tons/day.

$$4150 \text{ tons/machine} \times 2 = 8300 \text{ tons/day}$$

Machine Production Summary

One Caterpillar D10R - 10,178 tons/day

Two Wagner 24's - 8300 tons/day

Machine Operating Cost Comparison

Areas of Comparison

- **Labor Costs**
- **Maintenance Costs**
- **Repair Costs**
- **Fuel Costs**
- **Owning Costs**

Labor Cost Estimate

2 Wagners

1 Caterpillar D10R

Machine operators

Based on a 24-hour workday,
7 days per week, each
Wagner would require 4
operators.

$\frac{168 \text{ hrs /week}}{40 \text{ hr week}} = 4.2 \text{ operator}$

Based on a 24-hour
workday per week,
the D10R would
require 4 operators.

$\frac{168 \text{ hrs/week}}{40 \text{ hr week}} = 4.2$

Total operators

4 operators x 2 machines
= 8 operators

4 operators

Annual cost

\$62,400

\$62,400

Per operator

Total annual

\$499,200

\$249,600

Operator cost

*We've made no consideration for maintenance, labor savings if more reliable machines were employed.

Fuel Cost Estimate

2 Wagners

1 Caterpillar D10R

**Fuel Consumption
Per hour, per
machine**

18 gal/hr.

15 gal/hr.

**Annual fuel
consumption based
on estimated hours
of operation per
machine**

**133,660 gal/machine
(7425 hours worked
per year x 18 gal.)**

**128,429 gal/machine
(8561 hours worked
per year x 15 gal.)**

**Total annual fuel
consumption**

**267,320 gal.
(two machines)**

128,419 gal.

Cost per gal.

\$1.47

\$1.47

**Total annual fuel
cost**

\$392,960

\$188,775

Maintenance Cost Estimates

2 Wagners

1 Caterpillar D10R

Estimated annual
cost per machine to
change oil, filters,
grease

\$15,000 each

\$25,000

Total cost

(\$15,000 x 2 machines)
= \$30,000

★ \$25,000

★ In accordance with Caterpillar's scheduled maintenance
recommendations

Repair Cost Estimate

2 Wagners

Based on age, expected hours of operation and history of annual repair costs for each Wagner is estimated to be \$150,000 to include parts and labor.

Total cost

2 Machines x 150,000/year = \$300,000

**Total annual estimated
repair cost to include
parts and labor.**

1 Caterpillar D10R

Based on age, expected hours of operation history and warranties, the D10R should encounter fewer repair costs the first year. The history of a D10R working in a similar application indicates that most major components will operate from 15,000-20,000 hours before major repairs are required. However, recognizing that the unexpected will occur, we are including repair allowance of 4.50/hr. over a three-year period for annual estimated repair costs of \$36,000 to include parts and labor.

Owning Cost Estimate

2 Wagners

We assume that all owning costs associated with the Wagners have been fully depreciated.

1 Caterpillar D10R

Based on current prices and interest costs, a D10R equipped with a chip blade can be leased from Caterpillar Financial for \$22,000 per month over a period of 36 months. Financial quote is dated December 8, 2000 and subject to change depending on interest rates and prices of machines.

Annual
Owning
Cost

\$ 0

\$246,000

* Note: We've made no provision for owning costs that may occur in the event a machine is down for repair and another machine must be employed during such periods of down time.

Summary of Estimated Annual Costs

	<u>2 Wagners</u>	<u>1 Caterpillar D10R</u>
Labor	\$499,200	\$249,600
Fuel	\$392,960	\$188,775
Maintenance	\$ 30,000	\$ 25,000
Repair	\$300,000	\$ 36,000
Owning	\$ 0	\$246,000
Total	\$1,222,160	\$745,375

Note: These costs do not reflect what additional savings would occur if more reliable machines were employed and a portion of maintenance, labor costs could be eliminated. i.e. Company or Contractor

Estimated Cost Per Ton

	<u>2 Wagners</u>	<u>1 Caterpillar D10R</u>
Total production per year in tons	8302 tons/day x 365 day = 3,030,230 tons/year	10,178 tons/day x 365 day = 3,714,970 tons/year
Machine operating cost	\$1,222,160	\$745,375
Cost per ton	40¢/ton	20¢/ton

Conclusion

It appears that a Caterpillar D10R is capable of moving wood chips for approximately $\frac{1}{2}$ the cost per ton when compared to the cost per ton of moving approximately the same quantity of chips per day with 2 existing Wagner 24s.

Thank You!

Thank you for allowing us to work with you on this project. We're complimented by the confidence you have placed in us. Hopefully this analysis will assist you in making an informed decision.



Appendix I

Customer Correspondences

January 18, 2001

Dear

Thank you for your recent lease of the . Your business is very much appreciated.

We recognize the confidence and trust you have placed in both our company and our product. We will do our very best to ensure that your expectations are met.

Again, thank you.

Best regards,

Territory Manager

/ec

January 18, 2001

Dear

Thank you for your telephone call. We very much appreciate the interest you have shown in Caterpillar and Long Machinery.

Please find enclosed a brochure for the . I hope it answers any questions you may have concerning machine specifications.

Thank you again for the call. I look forward to talking with you again.

Best regards,

Territory Manager

/ec

enclosures

January 18, 2001

Dear

Thank you for providing me the opportunity to visit with you on your job. It is always a pleasure to talk with you.

As a follow up to our conversation, I am enclosing a brochure on the for your review.

In the event you have questions or believe I can be of further assistance, please call.

Again, thank you.

Best regards,

Territory Manager

/ec

enclosures

January 18, 2001

Dear

Please find enclosed a new brochure for the we recently received.

As you will probably notice, Caterpillar has made changes in the machine from the previous model. Comments we have been receiving suggest that our customers like the changes. It is proving to be an excellent machine.

In the event you have interest in either seeing the machine or simply learning more about it, please call.

Thank you. I look forward to talking with you soon.

Best regards,

Territory Manager

/ec

enclosures

January 18, 2001

Dear :

This is just a friendly reminder that the rental payment on the is due. As you are aware, rental payments are due in advance.

Please give this issue your attention and send the total payment as soon as possible.

Thank you.

Best regards,

Territory Manager

/ec

January 18, 2001

Dear :

Thank you for your recent rental of a . Your business is very much appreciated.

In the event you have any questions or if we can be of further assistance, please call.

Again, thank you.

Best regards,

Territory Manager

/ec

January 18, 2001

Dear :

Thank you for returning the . Your rental of our machines is very much appreciated.

We hope that the rental of the met your needs and that you will think of us when you have need for a rented machine in the future.

Again, thank you. We look forward to working with you in the future.

Best regards,

Territory Manager

/ec

January 18, 2001

Dear _____ :

Thank you for your recent telephone call concerning the rental of a

Please find enclosed a brochure on the _____ along with a rental rate card.

Thank you again for the call. I look forward to talking with you again.

Best regards,

Territory Manager

/ec

Enclosures

Appendix J

Long Machinery Advertising

LONG MACHINERY Company Information

[Back to Long Machinery](#)

[Contact Us](#)

- Rentals
- Parts
- Service
- New Equipment
- Used Equipment
- Truck Engines
- Power Generation
- Financial Services
- About Us

Incorporated in 1978, Long Machinery is one of seventy-two, independent Dealers representing Caterpillar in the U.S. Our general offices are in Missoula, Montana with branch offices in Kalispell, Montana and Lewiston, Idaho. Our service area includes Western Montana, North Central Idaho and a portion of Eastern Washington.



General Offices, Missoula



Engine Branch, Missoula



Kalispell Branch, Montana



Lewiston Branch, Idaho

Featured Special

1997 CAT 416C



JANUARY ONLY!!! \$1,370.00 Per Month -

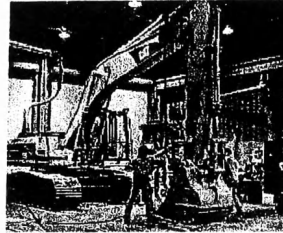
Click On Picture For Details

\$53,900.00

Long Machinery proudly represents Caterpillar's full product line to include Construction Equipment, Mining Equipment, Building Construction Products, Forest Products, Truck Engines, Power Generation, Compact Equipment, Asphalt Equipment, Lift Trucks, and Agricultural Equipment.

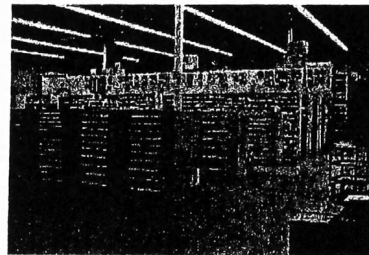
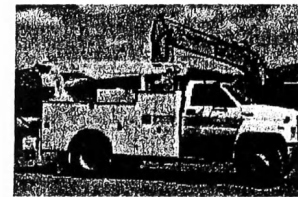


Long Machinery operates three earthmoving service facilities; Missoula,



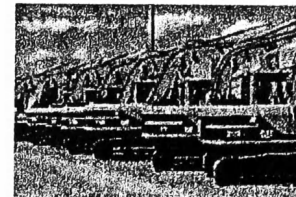
Montana, Kalispell, Montana and Lewiston, Idaho. We also employ an Engine Service facility in Missoula. Each facility is capable of repairing or rebuilding all models of Caterpillar equipment, power generators and truck engines operating in each service areas.

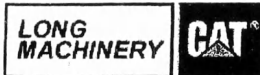
We operate a large fleet of field service trucks. Each truck is equipped with the latest in tooling to include Caterpillar's SIS, computer managed service information library. In addition we employ custom service, lube trucks.



We have three earthmoving parts operations; Missoula, Montana, Kalispell, Montana and Lewiston, Idaho. We also have an Engine Parts operation in Missoula. Inventory in each facility is selected and maintained on the basis of demand and is continually evolving. **Our fill percentages out of stock are high.** We take great pride in providing our customers with the best possible parts service and it shows.

Long Machinery rents equipment from six locations: Missoula, Kalispell, Butte, and Libby, Montana and from Lewiston, Idaho and Clarkston, Washington. Our rental fleets include a wide range of earthmoving equipment, forestry equipment, asphalt equipment, building construction products, skid steer loaders, power generators, and lifting equipment.





- Select Used Equipment -



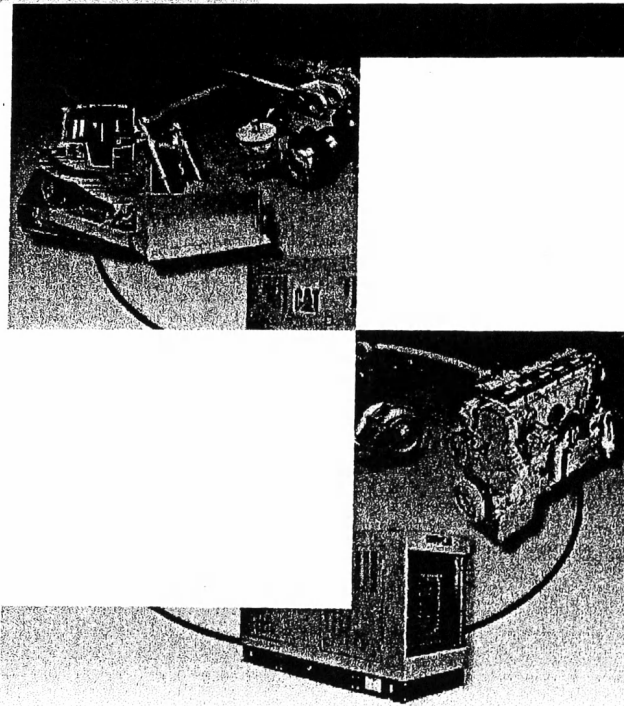
Featured Special

1997 CAT 416C



JANUARY ONLY!!! \$1,370.00 Per Month -
Click On Picture For Details
\$53,900.00

- Rentals
- Parts
- Service
- New Equipment
- Used Equipment
- Truck Engines
- Power Generation
- Financial Services
- About Us



LONG MACHINERY **CAT** **Equipment**

[Back to Long Machinery](#) [New](#) [Used](#)

- Rentals
- Parts
- Service
- New Equipment
- Used Equipment
- Truck Engines
- Power Generation
- Financial Services
- About Us



Long Machinery represents Caterpillar's entire line of new equipment.

New models of Caterpillar equipment are inventoried at each of our locations and are available for either rent, lease or purchase.

For specific product information concerning any model of Caterpillar equipment visit [CAT Online](#).

Featured Special
1997 CAT 416C



JANUARY ONLY!!! \$1,370.00 Per Month -
Click On Picture For Details
\$53,900.00

Used For Sale

Long Machinery has put its extensive inventory on-line to enable you to find the equipment you need. Our used equipment goes through stringent inspections and is ready to go to work for you.



Crawler Tractors



Wheel Loaders



Backhoe Loaders



Excavators



Motor Graders



Ag Equipment



Forest Products



Paving Products



**Articulated Dump
Trucks**



Skid Steer Loaders



**Mini Hydraulic
Excavators**

Compact Wheel Loaders



Attachments

113

HOME PAGE | Long Machinery | Copyright 2000
Parts | Service | New Equipment | Used Equipment | Rentals | Truck Engines | Power Generation | Financial Services | About Us | Contact Us



Copyright 2000 Caterpillar. All Rights Reserved
Cat and Caterpillar are registered trademarks of Caterpillar Inc.



Used Equipment

[Back to Long Machinery](#)

[Equipment](#) [Power Generation](#) [Truck Engines](#)

[Select Used Equipment](#)

[Rentals](#)
[Parts](#)
[Service](#)
[New Equipment](#)
[Used Equipment](#)
[Truck Engines](#)
[Power Generation](#)
[Financial Services](#)
[About Us](#)

Used Crawler Tractors

[Page: 1 2]

Page: 1 of 2



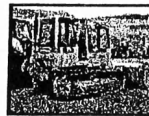
1999
CAT D4C XL



1997
CAT D4C XL



1995
CAT D5C



1995
CAT D5C



1996
CAT D5C



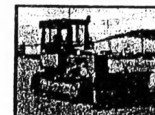
1997
Cat D5C XL



1998
CAT D5C XL



1998
CAT D5C XL



1999
CAT D5C III XL



1998
CAT D6M XL



1999
CAT D6M XL



1999
CAT D6M XL

Featured Special

1997 CAT 416C



JANUARY ONLY!!! \$1,370.00 Per Month -
Click On Picture For Details

\$53,900.00

114

Used Crawler Tractors For Sale - from Long Machinery, Independent Authorized CAT Dealers with caterpillar sales, rental, par... Page 2 of 2



1997
CAT D6R XL



1998
CAT D6R XL



1998
CAT D6R XL

[Page: 1 2]

[HOME PAGE](#) [Long Machinery](#) [Contact Us](#)

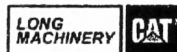
[Parts](#) | [Service](#) | [New Equipment](#) | [Used Equipment](#) | [Rentals](#) | [Truck Engines](#) | [Power Generation](#) | [Financial Services](#) | [About Us](#) | [Contact Us](#)



Copyright 2000 Caterpillar. All Rights Reserved
Cat and Caterpillar are registered trademarks of Caterpillar Inc.

Long Machinery - Independent Caterpillar dealers with a full CAT product line as well as repair facilities with sales, rental and service locations in Missoula and Kalispell, Montana and Lewiston, Idaho.

115



Used Equipment

[Back to Long Machinery](#)[Equipment](#)[Power Generation](#)[Truck Engines](#)[- Select Used Equipment -](#)

1999 CAT D4C XL



Equipment Info.

Equip. #: 010-1725
Price: \$88,200
Hours: 300
Notes: Canopy
6-Way Dozer
Ripper
Hydrostatic Transmission
18" XL Undercarriage

Service History:

Condition: Excellent
Warranty:
Financing:

Inquire Now

All prices subject to change without notice and all machines are subject to prior sale.
Note: Actual Images are used when available, unit may not be the specific Image that is shown.

HOME PAGE: Long Machinery Copyright 2000

[Parts](#) | [Service](#) | [New Equipment](#) | [Used Equipment](#) | [Rentals](#) | [Truck Engines](#) | [Power Generation](#) | [Financial Services](#) | [About Us](#) | [Contact Us](#)



Copyright 2000 Caterpillar. All Rights Reserved
Cat and Caterpillar are registered trademarks of Caterpillar Inc.



Used Equipment

- Select Used Equipment -

Equipment

Power Generation

Truck Engines

1999 CAT D4C XL

Inquire Now!

Your Name:

Company:

Telephone:

Email:

Comments:

Or Contact:

Alan McClellan
Long Machinery
3760 North Reserve
Missoula, MT 59808
406 721-4050 Telephone
800 548-1512 Toll Free
406 721-6394 Fax
alanm@longmachinery.com

Equipment Info.

Equip. #: 010-1725
Price: \$88,200
Hours: 300
Notes: Canopy
6-Way Dozer
Ripper
Hydrostatic Transmission
18" XL Undercarriage

Service History:

Condition: Excellent

Warranty:

Financing:

[Inquire Now](#)

All prices subject to change without notice and all machines are subject to prior sale.
Note: Actual images are used when available, unit may not be the specific image that is shown.

[Parts](#) | [Service](#) | [New Equipment](#) | [Used Equipment](#) | [Rentals](#) | [Truck Engines](#) | [Power Generation](#) | [Financial Services](#) | [About Us](#) | [Contact Us](#)



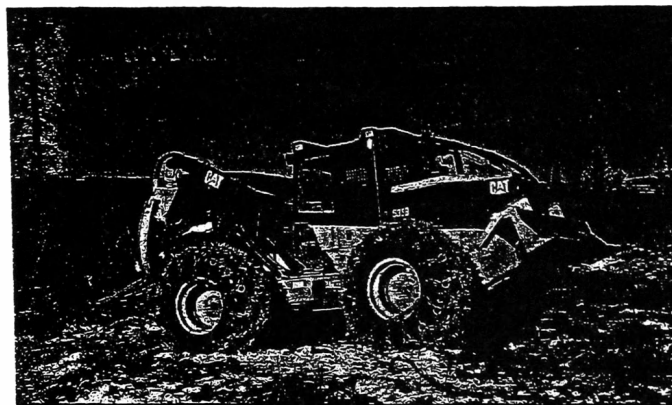
Copyright 2000 Caterpillar. All Rights Reserved
Cat and Caterpillar are registered trademarks of Caterpillar Inc.



P.O. Box 5508
Missoula, MT 59806

Address Correction R

Introducing...



Caterpillar 535B Skidder

Operating Weight.....	37,300	Tires.....	30.5 x 24
Engine.....	3126DITA	Wheelbase.....	139.1"
Horsepower.....	200 Gross	Length.....	241.6"
		Width.....	133.3"
Transmission.....	5F/3R	Height.....	127.3"
Torque Converter.....	Lock-up	Ground Clearance.....	22.9"
Travel Speed (Max).....	17.1 MPH	Fuel Tank Capacity.....	83 gallons
Hydraulics.....	Closed Center	Differential Lock.....	Yes
Grapple Control.....	Auto-grab		



Missoula • 406.721.4050
Kalispell • 406.752.3030
Lewiston • 208.746.3301
www.longmachinery.com

Appendix K

Long Machinery Advertising

we've come a **LONG** way...
were going even further



YOUR CATERPILLAR DEALER

CAT Rental, Compact Equipment, Power Generation, Truck Engine, Earthmoving Machinery

FOR THE **LONG** RUN



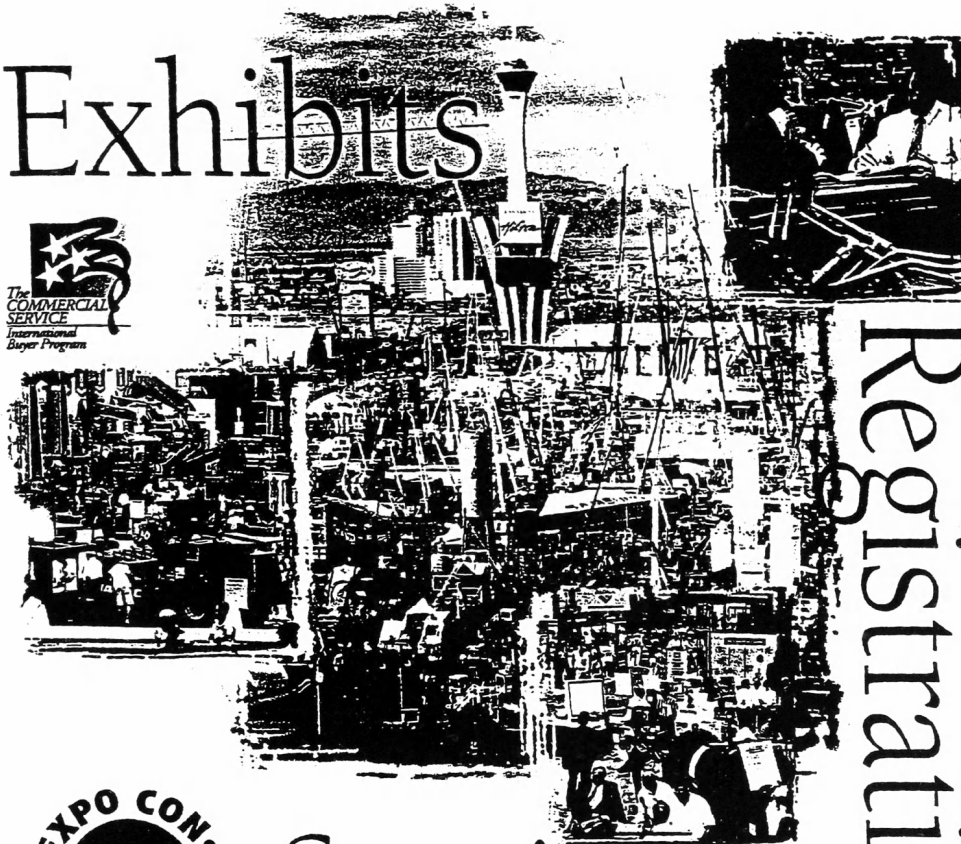
CAT Rental, Compact Equipment, Power Generation, Truck Engine, Earthmoving Machinery

March 23-27, 1999 / Las Vegas, Nevada, U.S.A
CONEXPO-CON/AGG '99

Building the 21st Century

MAY 26 1998

Exhibits



Registration



Seminars

See Page
16 for
Registration
Form

CAT

**CAT Rental • Compact Equipment • Power Generation
Truck Engine • Earthmoving Machinery**

A one stop shopping center meeting Montana & Idaho's
rapidly changing business needs.

***M* LONG
MACHINERY**
YOUR CATERPILLAR DEALER

Appendix L

Evaluation Survey

CATERPILLAR[®]

CUSTOMER SATISFACTION PROGRAM

Parts & Service Survey

Background Information

1. Which Caterpillar dealer do you use for the majority of your parts and service?
- _____

2. Which specific dealer location (store) do you primarily do business with?
- _____

Note: Please answer the complete survey specific to the dealer listed in Question 1 above. Answer all questions in general and not specific to any machine. For each statement in the total survey, please indicate how strongly you agree or disagree by checking one box per statement. If you are unable to rate any statement, please check the NA/DK box.

Legend For Rating Scale							
Strongly Agree	Agree	Somewhat Agree	Neither Agree/Disagree	Somewhat Disagree	Disagree	Strongly Disagree	Not Applicable/Don't Know
7	6	5	4	3	2	1	9

IV

DEALER PARTS DEPARTMENT -- Evaluate your experiences with the Caterpillar dealer's parts department.

(Check [√] One Box Per Line)									
The dealer's parts department . . .									
	Strongly Agree	6	5	4	3	2	Strongly Disagree	NA/DK	
1. Has parts needed on hand (in stock)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	86
2. Gets parts not on hand quickly (backorders)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	87
3. Goes the extra mile to obtain hard to get parts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	88
4. Waiting time to place parts orders by telephone is very good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	89
5. Waiting time to place walk-in parts orders is very good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	90
6. Informs us of back ordered parts status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	91
7. Parts counter staff are responsive, helpful and cooperative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	92
8. Provides good emergency parts service after hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	93
9. Parts prices give good value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	94
10. Parts counter staff are good parts consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	xx
11. Overall, dealer's parts department performance is very good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	95

Have you purchased any parts from your Caterpillar dealer in the past 12 months (including parts under warranty)?

(1) ☐ Yes (2) ☐ No

Comments on Dealer Parts Department: _____



**CUSTOMER SATISFACTION PROGRAM
INITIAL PURCHASE/RENTAL SURVEY**

00000359

Background Information

1. What is the primary application in which you use the majority of your machines?

Please answer the survey in terms of the dealer from whom you purchased or rented the Caterpillar machine(s) listed above. For each statement, indicate how strongly you agree or disagree by checking one circle per statement using the legend below. If you are unable to rate a statement, check the NA/DK circle.

Strongly Agree	Agree	Somewhat Agree	Neither Agree/Disagree	Somewhat Disagree	Disagree	Strongly Disagree	Not Applicable/ Don't Know
7	6	5	4	3	2	1	9

Dealer Salespeople

The Caterpillar dealer's salespeople . . .	Strongly Agree						Strongly Disagree	NA/ DK
	7	6	5	4	3	2	1	9
1. Knew Caterpillar products' capabilities well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Were helpful and cooperative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Were available/accessible when needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Were sincere and trustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Provided up-to-date product information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Called on me enough	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Appreciated my business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Followed up after machine delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Overall, dealer's salespeople performance was very good	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments on Dealer Salespeople: _____

Bibliography

- Associated Equipment Distributors. Sales Compensation Study Report. Illinois: AED, 1997.
- Biederbeck, Tom, ed. Caterpillar World. Peoria: Caterpillar Tractor Co., 1984.
- Catalano, Thomas. Address. Peoria, 1 Dec. 1998.
- Curfman, Chris. "World Market Discussion." Long Machinery's Strategic Business Conference. Darby, Feb. 1998.
- Di Iorio, Matt. Address. Distributors Conference. Williamsburg, 31 July 1999.
- Ferrell, O.C., Lucas, George, and Luck, David. Strategic Marketing Text and Cases Management. Cincinnati: South-Western Publishing Co., 1994.
- Festoon, James. Caterpillar' North American Dealer Association (NADA) Annual Meeting. St. Louis, March 1999.
- Fites, Donald. "America's Most Admired Companies." CAT Newsline. 14 Oct. 1997.
- Jenson, Robert. "Customer Needs." Personal Interview, June 1998.
- Johnson, Carl. "Long Machinery's Future Growth." Personal Interview. January 1999. Machinery Outlook. Mundelein: Manfredi and Associates, 1999.
- Montana Promotion Division. Montana Highway Map. Helena: H.M. Gousha, 1990.
- Montana Logger. "Grey Iron Machinery." Montana: n.p, 1998.
- Nolde, Gilbert, ed. All in a Day's Work: Seventy-Five Years of Caterpillar. Hong Kong: Forbes Custom Printing, 2000.
- Parks, Michael, ed. Marple's Business Newsletter Seattle: Business Newsletter Publishing, 15 Nov. 1998.
- Rasmussen, Henry. Caterpillar: The Great American Legend. Osceola: Motorbooks International Publishers and Wholesalers Inc., 1986.
- Siekmann, Timothy. Address. District Fall Dealer Meeting. Denver, Apr. 19